EXTENSIONS OF REMARKS

JUDGE WALTER LOGAN FRY

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. SEIBERLING. Mr. Speaker, June 6, 1978 marked the death of Administrative Law Judge Judge Walter Logan Fry, an honored resident of my district. His passing prompts me to remark briefly on Judge Fry's judicial professionalism and to his role—and that of all administrative law judges—in the increasingly complex and important work of the federal system.

Judge Fry was raised in Akron, Ohio, in a neighborhood rich in the diversity of Americans of Appalachian, African, English, Italian, German, Greek, Polish, and other national and ethnic origins, drawn together by the phenomenal expansion of the rubber and rubber tire industry at the turn of the century.

A graduate of East High School and Ohio University Judge Fry received his law degree from Akron Law School, now a part of Akron University. Firestone Tire, during the depression, sent him to its affiliated bank in Monrovia, Liberia, where he managed the bank's affairs for 3 years. On his return, he traveled through Europe, only to witness Hitler conduct a thunderous, frightening harangue in Munich.

When World War II later erupted, Judge Fry joined newly formed Goodyear Aircraft as a member of the original training group, following which he enlisted in the Navy recruiting service.

After the war, Judge Fry commenced a 34-year career in the Federal civil service in OPA/OPS, the Veterans' Administration, the Internal Revenue Service (Gift and Estate Tax) and, for 16 years, as hearing examiner and administrative law judge for the Bureau of Hearings and Appeals, DHEW, including 3 years as ALJ in charge of the Cleveland, Ohio, office.

Judge Fry took great pride in his work. As an administrative law judge, he performed pursuant to the adjudicatory procedures required by the Administrative Procedure Act of 1946, which establishes procedures to insure the independence and impartiality of the administrative process. Like Federal district and appellate judges, administrative law judges are exempt from performance evaluations by their agencies, receive periodic increases in pay without certification by their agencies, and can be removed only for cause established by the Civil Service Commission. Thus, as recognized in House Report 95–321 and Senate Report 95–697, discussing Public Law 95–251, Judge Fry held "a position with tenure very similar to that provided for Federal judges under the Constitution."

This independence and impartiality must be retained for the administrative law judge performs a vital role in our increasingly complex society. And because of the diversity and complexity of this work, the administrative law judge should accordingly be evaluated not like "all other civil servants," but rather, according to those standards by which U.S. district judges are evaluated.

Judge Fry exemplified this sense of impartiality and independence. He worked long and ably to secure for his fellow citizens those benefits which the country has deemed necessary for those who have become disabled and for whom employment opportunities are no longer available. Judge Fry approached this important responsibility with dedication and fairness. We will miss him.●

TWENTIETH OBSERVANCE OF CAPTIVE NATIONS WEEK

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. SARASIN. Mr. Speaker, the week of July 16 to 22 marks the 20th observance of Captive Nations Week. This annual occurrence serves as a reminder to the free world that there are less fortunate people who do not share the advantages of national independence.

The nations of Eastern Europe and Asia which live under the dominance of a stronger neighbor cry out for justice and equal status in the world community. They yearn for the day when their national cultures can once more flourish and their political freedoms can once more be maintained. Their present existence is one of subservience and as such, it is a condition which we cannot tolerate.

Particularly hardpressed in this situation are the states of the Baltic area which were absorbed by the Soviet Union early in the Second World War. These nationalities, which have suffered a long history of occupation and control, have maintained their national self-consciousness throughout their trials. Out of respect for their courage and perseverance, we must never accept their status as permanent, but must make every effort to return their cultural and political independence to them.

Toward this end, I have sponsored House Concurrent Resolution 177, a measure which calls for independence of Latvia, Lithuania, and Estonia. It advocates the withdrawal of all Russian and other nonnative agents from these republics and the return of all Baltic exiles from Soviet prisons and labor camps. These objectives would be accomplished under the auspices of the United Nations.

The United Nations has always represented the ideal of self-determination for both the individual and the state. Captive Nations Week celebrates this ideal by expanding it to an international level, but it simultaneously mourns the absence of self-determination in many nations. Let this week bolster our resoluteness to correct this wrong.●

CARL SNOWDEN

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. MITCHELL of Maryland. Mr. Speaker, on Friday, June 9, 1978 the citizens of Anne Arundel County gave a community salute to Carl Snowden. This young man is my friend who has demonstrated concern for the community since he was 16 years old.

Carl Snowden is a lifelong resident of Anne Arundel County. Mr. Snowden, who was born on June 17, 1953, is the son of Mr. and Mrs. William Snowden of Annapolis, Md. He has eight brothers and sisters. He is presently employed as the chief program officer for the Anne Arundel County Community Action Agency and in addition is the host-moderator of WANN radio station's "Community Viewpoint."

Mr. Snowden is a 1971 graduate of Key School, a private institution in Annapolis, Md. He attended the University of the District of Columbia as well as classes at Anne Arundel Community College. At the age of sixteen he took an active interest in human rights and civil rights and has been active ever since. In 1970 he was arrested while protesting discrimination against blacks in Anne Arundel County.

In 1970 he organized a boycott for classes in the area of black studies at Annapolis Senior High School; which later became part of the curriculum at the institution. In 1972 he organized the Poor Peoples Rights Organization, which was designed to improve the plight of poor and black people in Anne Arundel County. In 1973 he worked with Mrs. Martha Wood of the Parents Association in filing a complaint against the Anne Arundel County Public School System for violation of the 1964 Civil Rights Act with HEW who found that the school system was in violation. In 1974, he worked closely with Delegate Kenneth L. Webster (40th Legislative District in Baltimore City) in order to get legislation passed to make the late human rights activist Martin Luther King Jr.'s birthday a legal State holiday. In 1975 he worked with tenants in organizing the longest "rent strike" in the history of the State of Maryland and negotiated over a million dollar settlement for the beleaguered community. In 1976 he joined the black student organization, UJIMA, at Anne Arundel Community College in filing a discrimination complaint with the Maryland Human Relations Commission, which resulted in the college hiring its first full time black faculty members. In addition he worked with other community groups in preserving Mt. Moriah

A.M.E. Church and the Anne Arundel County Legal Aid Bureau; was one of the founders of VOTE, which sponsored the first black political convention in 1977. Mr. Snowden is the third vice president of the Anne Arundel County Branch of the NAACP.

That is quite a record for a man who has just reached the age of 25.

I believe you will share my thought that America needs many, many more Carl Snowdens.●

TRIBUTE TO JOHN O. GRAY

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. WRIGHT. Mr. Speaker, on June 30, John O. Gray of Washington, D.C., retired from his position as assistant executive director of the Air Force Association. Mr. Gray has been a key member of the national headquarters staff of that fine organization for more than 21 years and has played a leading role in the association's impressive growth in size, influence, stature, and prestige. Additionally, over an even longer period of time, Mr. Gray compiled a distinguished record of accomplishment as an officer in the U.S. Air Force Reserve, from his entry on active duty in June 1941, to his retirement as a brigadier general in 1969. I want to call the attention of my colleagues to the career of this outstanding military and civilian leader.

Born in Boston, Mass., Mr. Gray lived most of his young life in the Northwest. He is a graduate of the University of Idaho and still calls Spokane, Wash., his hometown.

He entered active military service in 1941 as a second lieutenant commissioned from the Army Reserve Officer Training Corps. After a tour at Lubbock Army Air Base in Texas, he served for 4 years in Europe with the 8th Air Force.

During the Korean conflict he was recalled to duty as a lieutenant colonel and served with Headquarters, U.S. Air Force, in Washington. Later he served a 4-year tour of duty in the Air Force's Office of Information, in charge of Reserve Forces activities.

In 1957 he joined the national staff of the Air Force Association in Washington, D.C., and was the association's project director for the golden anniversary celebration of the Air Force in that year.

In October 1957, Mr. Gray became the association's administrative director and soon became its assistant executive director, director of military relations, and military affairs editor of the Air Force magazine, the association's official journal.

In these capacities he supervised many of the administrative and operational functions of the association. He worked closely with the association's executive director in the programing and supervising of seminars, symposia, and conferences conducted annually throughout the country. His work brought him in contact with U.S. Air Force officials at all levels, other Department of Defense and Government agencies, civilian organizations, the Congress, and representatives of free-world nations.

Mr. Gray also served as administrative director of the Aerospace Education Foundation, an educational affiliate of AFA.

He is in the Retired Air Force Reserve as a brigadier general. Among his military decorations are the Legion of Merit and Bronze Star Medal.

Over the years Mr. Gray has accumulated many friends, admirers, and well-wishers, among which I count myself. He has always set high standards for himself, professionally and personally, and has always lived up to them.

Directly and indirectly, as a civilian leader in military affairs and as an Air Force officer, he has served the United States and its interests with honor, with dedication, and with talent. I am sure my colleagues join me in wishing him well in his retirement.●

MONUMENT TO DARTER IS TOURIST ATTRACTION

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. DUNCAN of Tennessee. Mr. Speaker, as my colleagues are aware, the publicity and controversy surrounding the Supreme Court's June 15 decision in the Tellico Dam/snail darter case has by no means disappeared. In no area is this more evident than in my own Second Congressional District of Tennessee wherein the Tellico project lies. For the residents of this area, the people who have seen many of their hopes for a better future smashed by this decision, this case represents the ultimate in bureaucratic folly. This sentiment is evident in the following editorial which appeared in the Athens, Tenn. Daily Post-Athenian on June 19. I commend its reading to my colleagues.

MONUMENT TO DARTER IS TOURIST ATTRACTION

Tennessee has been forging ahead in tourism for the past few years.

It now has an attraction that is unequaled in any of the other 49 states.

A multi-million dollar monument to a three inch fish.

To make the monument even more commanding it has a no less body than the Supreme Court as publicity agent.

The court says the three-inch snail darter is so rare that its habitating waters must not be disturbed, only viewed from the balustrade of a huge overlook of concrete and steel erected at the cost of millions.

However the vantage point can be reached nicely by a driveway which is almost inlaid with dollars.

The monumental dam should be a double pronged attraction. Nowhere else in the United States can one see the combination of the majesty of three-inch fish and the stupidity of interpretative court rulings.

But the view from the top of the dam is magnificent. On one hand can be seen the tiny darter monarchs holding sway in their water hideway. On the other is a panoramic view of better living for thousands of persons, which didn't materialize and sub-level existence continues.

Tourists should love visiting Little T dam.●

SEYMOUR L. KATZ

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. ROSENTHAL. Mr. Speaker, it gives me great pleasure to pay tribute today to a distinguished member of the Queens community, Mr. Seymour L. Katz, upon his completion of serving for 3 years as president of the Queens Council for Soviet Jewry. As an active and dedicated advocate for the liberation of Jews in the Soviet Union, Seymour served as a delegate to the Brussels Conference on Soviet Jewry in 1976 and visited the Soviet Union to meet with persons wishing to emigrate to Israel. The "refuseniks" Seymour met became his lasting and special friends. He is in constant phone contact with them, sends frequent "care packages" and ceaselessly petitions Soviet and American officials on their behalf. It was Seymour who brought the plight of refuseniks I recently "adopted"—Carmella and Vladimir Raiz—to my attention.

Under Seymour's leadership the Queens council organized numerous rallies and vigils around New York City and hosted the annual "Freedom Seder," in which I have had the privilege to participate, to honor recent Soviet emigrants and to pray for those unable to celebrate the Passover in the Soviet Union.

Seymour has been a leading figure in the Jewish affairs of the borough of Queens for over 20 years, serving as a founder and vice president of the New York Region of United Synagogue, Queens chairman of the N.E.P. program for the Jewish Theological Seminary, United Synagogue representative to the Synagogue Council of America and one of the American representatives on the board of directors of the World Council of Synagogues. He also served as a member of the board of directors of the Solomon Schecter School of Queens, the Queens UJA Cabinet and synagogue chairman of Queens Israel Bonds.

In recognition of his dedication and service to the Queens Jewish community and the cause of Soviet Jewry, Seymour was recently elected honorary president of the Queens Council for Soviet Jewry and vice chairman of the Greater New York Conference on Soviet Jewry.

With great respect and admiration for Seymour's selfless dedication to the Queens community and oppressed Soviet Jewry, I am pleased to join in my community's praise and appreciation for Seymour L. Katz.●

COAL SLURRY PIPELINES

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. TEAGUE. Mr. Speaker, the bill H.R. 1609, better known as the coal slurry pipeline bill will no doubt be one of the most debatable issues before the U.S. Congress this session.

Several years ago, during my tenure as chairman of the Office of Technology Assessment, I directed that a study be done on this issue for the benefit of the Members of this body. The study was completed several months ago, and I am sure that every Member of this body has received a copy of that study.

Because the bill was scheduled for consideration, the Office of Technology Assessment has published a one page position paper on the subject as a result of their study. A copy of this paper follows:

COAL SLURRY PIPELINES

Comparison of the costs of unit trains and slurry pipelines concluded that, depending on specific conditions of a given route, either mode can represent the least costly means of transporting coal if one ignores regulatory distortions and unquantifiable social impacts. Which mode is cheaper in a given instance can be determined only by a detailed economic and engineering evaluation.

Without the power of eminent domain at either the Federal or State level, coal slurry pipelines will have great difficulty competing with railroads. Without eminent domain, the pipelines would have to redirect routes, thereby increasing their costs and reducing their ability to compete successfully with established railroads.

On the other hand, if the pipelines are granted the power of eminent domain, they could enjoy significant advantages over the railroads because of regulatory restrictions on the latter's ability to enter into long-term contracts with selected customers.

Water availability is a central issue. Although transportation of coal by slurry pipelines will require much less of the mine region's water per ton of coal than onsite gasification or electric power generation, pipelines do represent a substantial potential demand on remaining unallocated resources. Sufficient unused quantities of suitable water exist, although they are not necessarily legally available, for the transportation of nearly 200 million tons per year from Western coal-producing areas. However, diverting water for slurry pipelines now would limit the options for future uses of that water. Eminent Domain legislation could inadvertently alter the balance of Federal and State authority over water resources. Unless such alteration is intended, care should be taken to avoid that consequence.

One environmental area of uncertainty involves the substances that will be present in the slurry water after it has been separated from the coal at the end of the pipeline. The Department of Energy is now sponsoring experiments to clarify this problem.

The environmental impacts of the water use, its discharge, and the construction of the pipelines must be weighed against the noise, land-use disruption, and rail-highway crossing accidents and inconvenience associated with moving the same coal by rail.

Railroad financial health probably would be affected less by a substantial pipeline industry than by adverse rate regulation or diminished productivity gains of railroads in the future.

Further, slurry pipeline development should have no significant impact on the achievement of projected levels of coal use on a national scale.

Copies of the OTA report, "A Technology Assessment of Coal Slurry Pipelines," are available from the U.S. Government Printing Office. The GPO stock number is 052-003-00523-9; the price is $3.25. Copies for congressional use are available by calling 202-224-8996.●

REMARKS FOR THE RECORD

HON. DOUG BARNARD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. BARNARD. Mr. Speaker, as a member of the Subcommittee on Housing of the House Committee on Veterans' Affairs, it is my pleasure to serve with a fellow Georgian who has established himself as an expert in the field of veterans' housing. I refer to the distinguished chairman of the Subcommittee on Housing, Representative JACK BRINKLEY who has developed a level of competence that has drawn the admiration of veterans' organizations and industry spokesman as well.

JACK BRINKLEY is a friend to the veteran and the veteran's family through his untiring work to legislatively improve and update the Veterans' Administration housing programs. In an article in the trade journal of the mobile home industry, he has also been acknowledged as a friend of the housing industry.

I request permission to insert this article in the CONGRESSIONAL RECORD:

MERCHANDISER TALKS WITH JACK BRINKLEY—A FRIEND ON THE HILL

In the words of one industry Washington, D.C. insider, "Jack Brinkley is a Congressman who cares. His interest has gone far beyond the scope of his district."

For the mobile/manufactured housing industry, who has felt itself an outsider on Capitol Hill, this is good news indeed. Better still, Brinkley, representing the Third District of Georgia (which includes that now fabled community of Plains), has taken a position of leadership in revitalizing the Veterans' Administration Home Loan and Specially Adapted Housing Programs.

As chairman of the Subcommittee on Housing of the House Committee on Veterans' Affairs, the industry has benefited from his activities for veterans.

With the termination of the Vietnam era, the question arose as to whether eliminating loan guaranty entitlement for post-Vietnam peacetime veterans would be consistent with the Administration's goal of eliminating duplicative Federal programs. Under Brinkley's leadership, it was determined that the VA Home Loan Programs would continue for all veterans and for active duty members of the military who have served more than 180 days.

In the 94th Congress, Brinkley sponsored legislation leading to the enactment of the Veterans' Housing Amendments Act of 1976. The act included a provision of an increase in the mobile home loan guaranty from 30 percent to 50 percent.

Currently, the Congressman's initiatives include House passage of a bill to eliminate duplicative VA inspection of mobile home manufacturing plants and restructuring the VA Mobile Home Loan Program to closely parallel the program for site-built homes.

The restructuring would be accomplished through H.R. 11009. The bill would eliminate the current multiple statutory maximum loan amounts for single and multi-sectional mobile homes, either attached or unattached to the land, and substitute a maximum guaranty in the amount of $17,500. It would also increase the maximum term of years for which loans are financed from 12 years, 32 days to 15 years, 32 days in the case of a loan for the purchase of a single-sectional mobile home only or for the purchase of a lot.

In addition, it would impose the same criteria for restoration of entitlement as applies to restoration of entitlement used for site-built homes—the home must be disposed of and the loan must be paid in full.

Finally, the bill would provide that a veteran who obtains a mobile home loan will have the opportunity to use his or her partial or remaining entitlement when moving.

The House Veterans Committee recently approved the legislation and it is not expected to meet any major resistance in the House.

How does Congressman Brinkley view the industry and his role as a legislator? MERCHANDISER talked with him in his office in Washington, D.C. recently to find out.

"Legislation is a partnership situation, I think," Brinkley explained. "You represent many interests. Besides the general public and veterans, there is a concentration of mobile home manufacturers and suppliers in my District in Georgia. When we touch down in their lives, all of a sudden it indirectly impacts on lenders and many other groups.

"So simply, my service on the Veterans Committee provides me with a vehicle to do that which we perceive to be good and right not only for veterans, but for the other people we represent. Hopefully, we improve the lot of all of them at the same time.

"Now, as you know, we have a severe housing shortage in this country. Even on the Veterans Committee, my thrust has been toward better housing and better medical. I think those are the two big issues which contribute a great deal to the quality of life. And so, if we can spill over from the Veterans Committee to the Housing Committee we've accomplished something.

"It has to be understood that when you talk about housing, you're directly laced to quality of life, and a lot of people can't afford expensive site-built homes.

"I think this will become increasingly evident in the future, so when witnesses come before our committee and testify about the excellence of mobile homes, their livability, their life expectancy, it gives us an option for the future for the man and woman who cannot afford site-built homes.

"They can go with mobile homes, which can be attached to real estate or can be moved if people choose to do so.

"From pictures we have been given, we see what can be done with a little imagination and by choosing the right lot for a mobile home. Some multi-sectional homes do not look any different from site-built homes. They have eye appeal, comfort and safety—we in the Congress are very safety conscious these days, and I think the industry is, too.

"During oversight hearings, Committee Counsel Elizabeth Lunsford and other staff members visited mobile home manufacturers, lenders, retailers and communities. We have been tremendously impressed with the quality of construction in these homes.

"Visits have been made in California, Florida, Georgia, Nevada, New Mexico and Texas. I should point out that although we haven't been north of the Mason-Dixon Line—yet—we have had quite a bit of conversation with people in Illinois, Indiana and Michigan.

"We certainly have had quite a bit of cooperation and support.

"I think the VA deserves a bouquet too, at this point. It can be aggravating because sometimes we don't always fully understand the rules and methods they must employ. But George Alexander, who is just a peach of a man, Mr. Coon, and Mr. Malone have just been fine. We have received splendid cooperation from the VA."

Moving on the future areas of interest, Brinkley commented on the possibility of placing mobile homes on private land in the VA real estate program.

"I think there is a trend in that direction," he said, "and we are taking a look at the possibility of future action in that area. However, in discussing it with the VA, we think perhaps that it is an area that might better be handled administratively.

"The way I see it today, there's not a pressing need to solve this because it can evolve and take care of itself, provided we make the guaranty for mobile homes realistic enough. We're hopeful that the $17,500 ceiling will relate to the mobile home purchase as well as the lot.

"If that's not realistic, it should be raised but there are a number of things to be worked out in the marketplace.

"So, at this time the way I see it, mobile homes serve a market of people who have less resources as a general rule, and the more moderate price can be handled under the laws we are trying to adjust upwards. In the future, that might change."

On another aspect of the VA program, Brinkley had an idea of his own. Asked about paperwork, he first said, "I'm not real sure there is a paperwork problem although perhaps any paperwork is a problem. It's a relative problem. While the paperwork involved in the VA program is certainly more complicated than with a conventional loan, I don't think it's any worse than other federal programs.

"You have to look at the protection being afforded to the people participating in the program.

"But I am aware that the VA is attempting to cut down on the time involved. There are now stations that can process out a loan application in about two days. And as the program expands, hopefully the people who man the stations will expand, and that will help.

"But you know, you've struck a responsive chord with me. Regardless of the way things have always been or what the perceived needs are, I think this is a fertile field we can consider.

"If we can practice what we preach, simplicity and the cutting of red tape, we can look into this and see if the VA can't be the leader in reducing paperwork to the very basic needs. If we can do that, we will have done our part toward improving the quality of life which I keep referring to. I'm sure most federal forms are too complicated. We hear about it every day in this office.

"I will undertake this experiment. With the knowledge of the VA, Ms. Lunsford will pretend that she is a mobile home purchaser and go through all the steps—fill out all of the paper a mobile home purchaser must. Then we'll evaluate and see if there's a redundancy, if the forms are too long, too complicated, whatever. We'll know first hand that way. We will have experienced it.

"In addition to our own experience, we'll follow a specific case, unbeknownst to VA, to see what treatment John Q. Public is receiving."

Another industry problem Brinkley has given some thought to is home movement.

"The industry has expressed concern about the varying rules on movement of homes 14 feet in width, and I have some concern about this too.

"My philosophy is to let each state deal with its own internal affairs, but carriers of mobile homes often move interstate. In the future, if the states do not get their act together. I think Congress will move in to fill that vacuum and provide some consistency.

"In some cases, it's cheaper to move a mobile home, for example, from Tennessee into Georgia, rather than ship it to northern Georgia from a southern plant in the state. But I have heard that there has been some problem between state rules.

"I believe the states have the right to limit where these homes will be moved, but as for the number of personnel needed, pilot vehicles and the like, these are fairly basic things that ought to have one standard. Where homes are permitted to be moved by the states, I believe there should be one standard."

Asked whether he had any reservations about the durability or life expectancy of mobile homes, Brinkley responded, "Absolutely not."

"I think that mobile homes will last indefinitely.

"I'll tell you this much, there's a lot of maintenance and replacement that goes into a site-built house. With the quality of materials and craftsmanship in today's mobile home, if they are given the same maintenance and if parts are replaced, they will just last indefinitely.

"I have no reservations or concerns about the 15 year term we're extending it to. That's just a drop in the bucket.

"I consider mobile homes permanent homes—a valuable investment that will last a family for a lifetime.

"I'm impressed with the state of the art as it is today. The mobile home industry is the wave of the future—and perhaps the wave of the present—in fulfilling the housing needs of the American people.

"We don't have the resources to continue to go the way we have in the past. The manufacturers know the needs of the buying public and they're trying to meet those needs. They have made remarkable strides to this point. But I know that when we turn the page, go to the next chapter, there will be even greater technology employed and even greater innovative techniques used by the industry.

"If there were any area in which the industry might improve, I suggest it would be the lots on which homes are placed. More communities are needed where the landscaping is more natural, where people could permanently put their home, plant flowers and a garden—put down roots. This would make mobile homes even more attractive.

"I think I'd get one myself."●

STRASBURG, OHIO, CELEBRATING 150TH BIRTHDAY

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. APPLEGATE. Mr. Speaker, it is an honor for me to bring to the attention of this House and its distinguished Members an event in my congressional district. It is the celebration of the 150th birthday of one of the leading cities I represent; namely, Strasburg, Ohio, located in Tuscarawas County.

Needless to say, the residents of this community are planning many activities for their sesquicentennial which is planned for August 4, 5, and 6 of this year. There will be plays, dances, and parades. In addition, there will be a junior Miss Sesquicentennial queen chosen to reign over the event.

Strasburg and the surrounding area is rich in history and has contributed much to the great State of Ohio. The people of the area are very proud of the development they have contributed to, and for good reason. This city, once just a mere settlement, is now a thriving, active, and successful city.

Mr. Speaker, on behalf of the 18th Congressional District, I would like to express my sincere congratulations to Strasburg, its city officials, and its people on the celebration of this great event.●

LEAA EXTENSION BILL BEST VEHICLE FOR FUTURE DEBATE

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. MAZZOLI. Mr. Speaker, on July 10, I joined Chairman RODINO and several other of our colleagues in sponsoring the administration's proposal to restructure LEAA.

The bill, developed with the strong leadership of Senator EDWARD KENNEDY, and the cooperation of the administration, is the product of months of hard work and compromise. As a result the bill may well be as the Washington Post editorialized on July 17, 1978: "the best solution anyone has thought of to LEAA's problems."

However, among those of us who support the bill as a vehicle for hearings and eventual markups there are concerns about specific points of the bill.

In general I support the five major goals of the bill:

First, to give local governments more control over LEAA money;

Second, to encourage innovation in criminal justice through Federal research and incentive grants to local governments;

Third, to increase the overall budget of LEAA;

Fourth, to reduce the number of earmarked funding categories and increase the amount of money that can be spent as priorities indicate; and

Fifth, to streamline and reorganize the agency's internal workings to cut redtape and bureaucratic delay.

However, I am concerned that the bill does not go far enough in fulfilling these goals. Particularly, I believe that we must carefully examine the control that State governments will have over the money spent by large local governments.

The bill is an improvement over current practices, but the system of setting "Statewide priorities" to which local governments must conform, may give States too much authority to overrule local criminal justice decisions.

I am inserting the Post's editorial for my colleagues' information:

THE FUTURE OF LEAA

The Law Enforcement Assistance Administration was created in 1968 in the fond belief that it would provide an answer to the nation's crime problem. Ten years and $6

billion later, LEAA is a case study in how a good idea can be strangled by red tape, bureaucratic ineptitude and political in-fighting. While its efforts have produced some improvement in local law-enforcement agencies in some parts of the country, almost no one thinks the results have been worth the price. LEAA must be either drastically changed or put out of its misery.

Despite the campaign rhetoric that suggested President Carter would urge the abolition of LEAA, the administration is now arguing that the agency is worth saving. The program it has proposed, devised largely by Sen. Edward M. Kennedy (D-Mass.), would streamline the agency's operations, reduce and break up its bureaucracy and keep the dollars flowing from Washington. It is an ingenuous solution ot LEAA's problems because there is something in it to answer almost every critic of LEAA's performance.

For those who think there have been too many federal strings attached to the money local governments get, this proposal assigns 70 percent of LEAA's funds to a block-grant program. State and local governments will know in advance how much they are going to get and can decide themselves on how to spend it within certain restrictions. For those who think there have been too few federal strings attached, the other 30 percent of LEAA's funds would be controlled by Washington and made available to local governments—mostly those with major crime problems—on a matching basis for innovative law-enforcement programs. For those who claim local governments have had trouble finding the matching funds, the proposal lets local governments use the federal dollars they get through block grants to match the dollars they want under the other program.

The same balancing act runs through the administrative aspects of the proposal. State governments would lose much of the control they now exercise over how local governments spend LEAA money. LEAA would lose much of the control it has over the major portion of its grants. But LEAA would gain even wider discretion than it has had over where and how 30 percent of its funds are spent.

Anyway you look at it, that is a nice mixing of the approach to federal aid urged unsuccessfully by former president Richard Nixon and the traditional, many-strings-attached view of congressional Democrats. It gets some money to help law-enforcement agencies into almost every community (the District of Columbia would get $1.5 million off the top and Fairfax County would get $643,000, for example) and yet leaves Washington with enough funds to try to guide local governments into exceptionally useful programs.

The proposal, in other words, is the best solution anyone has thought of to LEAA's problems—if you believe there ought to be an LEAA. Frankly, we are not yet entirely sure about whether the federal government ought to be in the business of helping and guiding local governments in solving what is clearly a local problem: crime control. LEAA was created in the hope that some federal money and some federal guidance could produce miracles. Clearly, that hasn't happened. Is it better for Washington to try to focus its guidance more sharply and continue to send local governments a little money (the $600 million or so Congress has been willing to spend is only a drop in the bucket of law-enforcement costs)? Or is it better for Washington simply to get out of the guidance business entirely and turn back to the states both the problem and the revenue? The Carter-Kennedy proposal asserts the former course is wiser. Its proponents will need to present a strong case at the congressional hearings to persuade us they are right.●

HUMAN RIGHTS IN CUBA

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. DORNAN. Mr. Speaker, how fate plays with the lives of men and nations. The most famous dissident trials of modern history, the trials of Ginsburg and Shcharansky, have become the occasion of yet another act in Mr. Young's comedy of the absurd. In the gigantic moral confrontation between the United States and the Soviet Union, we are treated to comic relief.

Mr. Young's remarkable mouth aside, it is heartening to see the outpouring of moral support from this House for the Soviet dissidents Anatoly Shcharansky and Alexander Ginsburg. But we have no excuse to be selectively outraged. The trials and the sufferings of these two men are representative of the trials and sufferings of many others. The Soviet totalitarian sewer has swallowed hundreds of thousands, no, millions of human beings while the West closed its eyes and covered its ears. Christians and Jews, Ukrainians, Lithuanians, Latvians, Poles, Hungarians, Romanians, and Estonians, have long known life in the Soviet concentration camps. Some are learning only very recently what historians, writers, and journalists have been trying to tell them for decades: We are dealing with a brutal regime, whose excesses have rarely, if ever, been surpassed by the most vicious dictators throughout history.

While we focus our attentions on the plight of these two brave men, we should not forget that their struggle is against a type of totalitarian system that has been imported into our own hemisphere. We should remember that the very same methods, the same political and administrative structure of repression and terror exists only 90 miles from the shores of this Republic.

Mr. Speaker, of course, I am speaking of Fidel Castro's Cuba. And I think the time is right to press this point home: Human rights violations are never more severe than they are in Communist countries. And in Cuba, we have a system of repression and internalized violence against dissidents that most closely approximates that of Soviet Russia. And yet, listen as I may, I hear only conspicuous silence.

Cuba is a study in grotesque contrasts. It is like an ugly painting. Once a glittering jewel in the Caribbean Sea, it is now an incredibly dour, regimented society. The beautiful Caribbean Sun is itself mocked by the cold, gray totalitarian order that smothers the very life of the island's people.

I have just finished reading the preliminary drafts of a study to be published by the Council for Inter-American Security, "Castro's Gulag: The Politics of Terror." Mr. Frank Calzon, the author of this important work, observes that, according to Castro's own figures, Cuba holds five to eight times as many political prisoners per capita as does the Soviet Union. President Carter puts the number of political prisoners at anywhere between 15,000 and 20,000. He is joined in this estimate by former President of Venezuela, Romulo Betancourt. Prof. Edward Gonzalez, of the University of California at Los Angeles, puts the number at anywhere between 25,000 and 80,000 political prisoners. Estimates vary, but the numbers, all agreed, given the size of the population, are horrendously high. And, as Mr. Calzon reveals, they come from all walks of life and hold a variety of political opinions.

The Calzon study reveals the horrible conditions endured by the prison inmates. In dark, damp, ill-ventilated dungeons, thousands of these human beings languish. They suffer from brutality, malnutrition, and a lack of medical attention. Some are confined to solitary cells where they have lost track of night or day, but rot in what must seem to be an endless misery. Before succumbing to despair, many breathe their last in the cramped confines of their cells.

Mr. Speaker, I ask you to imagine for a moment the extent of this suffering. I ask you to allow your mind's eye to penetrate this oppressive, quiet blackness. True, the silence is occasionally broken by the gruff orders of a prison guard or the screams of a helpless innocent being systematically tortured or beaten into submission, pleading for mercy where none is to be found. But otherwise, it is as if these unfortunates are being buried alive. They are literally entombed in the nether world of the totalitarian political order. And their worst fear is that they may fall victim to the sin of despair. Their greatest hope is that, in putting their faith in the conscience of free and civilized people, the awful silence will finally be broken. They pray that those of us who breathe the clean, free air of liberty will hear their stifled cries.

Will we hear them? Will pressure be brought to bear on the arrogant dictator who daily castigates us? Will the export of his vile totalitarianism in Africa and other parts of the world eventually be stopped?

Mr. Speaker, history sadly reveals that the justice or nobility of a cause is no assurance of its success. The eventual liberation of political prisoners in Cuba will not occur until the truth of their condition is widely publicized. It was therefore painful for me to learn that there are those who will continue to ignore the truth, even when it is brought to their attention by a fellow countryman who endured imprisonment in Cuba, Mr. Frank Emmick. In the interests of this cause, I am inserting two related stories, published in the July 1978 edition of the Conservative Digest, into the RECORD, and I pray that we "Remember Huber Matos."

[From the Conservative Digest, July 1978]

ANOTHER MEDIA COVERUP: CUBAN JAILS

THE EASTERN PRESS HAS IGNORED THE DRAMATIC STORY OF AN AMERICAN IMPRISONED IN CUBA FOR 14 YEARS

If by some miraculous circumstances an American reporter visiting Cuba could interview an American political prisoner, he

would have a hot story. If the prisoner were able to describe frankly and fully the inhuman conditions under which he had been forced to live and if he charged that there were 40,000 political prisoners in Cuba, over ten times the number admitted by Castro, the reporter would have an even hotter story.

It is almost inconceivable that the two most influential papers in the United States and our three television news organizations would spurn such a story, refusing to tell the public about this cry from the Cuban Gulag.

This is almost what happened in mid-March. There were some differences. There were several reporters involved, and they did not have to go to Cuba and try to accomplish the impossible feat of getting such an interview with a prisoner under the watchful eye of Castro's guards.

The prisoner, Frank Emmick, was available to them in Washington at a press conference arranged by the American Security Council, Mr. Emmick, who was released on Jauary 1, 1978, after spending over 14 years in Castro's jails as a political prisoner, was talking to the press for the first time since his release. And he was willing to tell all.

The story he told rivals the accounts of man's inhumanity to man that we find in the works of Aleksandr Solzhenitsyn. But he was talking of things that had happened to him, an American businessman, on an island only 90 miles from Florida over the last 14 years—not about events that occurred in faraway Siberia in the days of Stalin.

TV CAMERAS MISSING

He told his story, reading a 13-page prepared statement and answering frankly all the questions thrown at him by the journalists who attended. Among those attending were reporters from the two wire services, AP and UPI. Both filed good stories about what Frank Emmick had to say.

Conspicuously missing were the cameras of ABC, CBS and NBC. Also missing, we discovered, were reporters for this country's two most influential newspapers, the New York Times and the Washington Post. Noting their absence, Phil Clarke of the American Security Council had copies of Frank Emmick's prepared statement delivered by messenger to their nearby newsrooms. And, of course, both papers had available for their use the AP and UPI stories, as did the TV news bureaus.

But Frank Emmick's story, which would have been so hot if he had been able to tell it three months earlier when he was still in prison in Cuba, was of no interest to the Times, the Post and the networks. They carried not one word about what he had to say.

Frank Emmick was an American businessman in Cuba when Fidel Castro seized power. He was engaged in freezing and exporting frog legs, and he was considered the largest single producer of this product in the world. His troubles began when the U.S. broke diplomatic relations with Cuba and Emmick notified the Cubans that he was suspending production. On January 31, 1961, he was taken by five militiamen, savagely beaten and thrown into the ocean and left for dead.

FORBIDDEN TO LEAVE

He miraculously survived, and the next morning he went to the Swiss embassy. He was advised to leave the country because his life was in danger. A Swiss diplomat accompanied him to the airport, but he was denied permission to leave on the pretext that he owed some bills. He pointed out that the Cuban government was confiscating his assets, which were 16 times his liabilities in value, but to no avail.

He was left alone until September 1963, when he was arrested and charged with being the chief of the CIA in Cuba. Emmick said he was never a CIA agent, much less a thief.

Although the Times, the Post and the networks spared Fidel Castro the embarrassment of exposing Frank Emmick's story to public view, the Washington Star did report the press conference. Even though it omitted the worst parts and the estimate of 40,000 political prisoners, the story enraged the Cuban liaison mission in Washington. Rep. Frederick Richmond (D-N.Y.) told AIM that the Cubans called him in a state of near hysteria.

Rep. Richmond in turn called Mr. Emmick at his home in Toledo, Ohio, and brutally unbraided him for having told his story to the press. According to Emmick, he cautioned the congressman that he had recently suffered a third heart attack, to which this millionaire liberal congressman from Brooklyn responded, "I don't give a goddamn about your heart attacks."

Rep. Richmond told AIM that he was upset because Emmick had come to Washington and not visited him, his benefactor. Worse yet, he had "fallen into the hands of this Clarke, who runs some right wing organization." (This is a reference to Phil Clarke, who is on the staff of the American Security Council). "Instead of coming to me, he sold out to Clarke," Richmond said. "He is dead broke and is being paid by this outfit," the congressman added.

CONGRESSMAN FURIOUS

Asked if he had any evidence that the American Security Council was paying Emmick, the congressman amended his statement to say that he "supposed" he was being paid. (Clarke says ASC only paid for Emmick's trip from Toledo to Washington.)

Rep. Richmond told us that Frank Emmick was "a silly old fool" and that he wouldn't believe any of what he had to say. He felt that by telling his story to the press, Emmick had worsened the chances of getting the four other American political prisoners released. Rep. Richmond said that he had called the CIA to see if they could "shut Emmick up," but there was nothing they could do.

We pointed out that Emmick said that he had an agreement with one of the other American prisoners that whoever got out first would go public and tell the truth about the treatment they had received. Richmond said, "That is baloney."

PRISONER'S STORY IGNORED

AIM asked both the New York Times and the Washington Post why they failed to carry any story on Frank Emmick. At the time of writing, we have had no reply from the Times. Mr. Seib, the ombudsman for the Post, has informed us that (a) the reporter who was supposed to cover the news conference had to see his doctor instead, and (b) the wire stories were not used because the editors tend to give preference to stories by members of the paper's own staff, and the Emmick story was squeezed out by other news.

Would the media have shown a similar lack of interest in Emmick if he had been released from prison in Chile and had told a similar tale of mistreatment? We have previously shown that the media are far more inclined to report human rights violations in anti-Communist countries than in Communist lands.

Frank Emmick is frightened by this. He spoke out because he sees America beset by "a well-organized and determined enemy which aims to destroy us, using whatever means at its disposal to gain its objective . . ." He thought it important that we be warned again of the nature of this enemy. The suppression of his warning by the media tends to underscore his fears.

He sounds like Solzhenitsyn. Are they both "silly old fools"?

FRANK EMMICK TELLS HIS STORY

(In January, Frank Emmick, an American businessman, returned to the United States after having spent 14 years in Cuban prisons. Mr. Emmick, 63, who lives in Toledo, Ohio, was accused of having been head of the Central Intelligence Agency in Cuba and was sentenced to 30 years in prison in 1963. He was released after a trip to Havana by Reps. Frederick W. Richmond (D-N.Y.), and Richard Nolan (D-Minn.). This article is adapted from a speech in Washington in March 1978.)

On the morning of September 12, 1963, my house was completely surrounded by a score of security personnel. I was taken to their headquarters, commonly called G-2. There I was arrested and accused of being the chief of the Central Intelligence Agency in Cuba.

Of course, I was greatly shocked since I've never been a CIA agent, let alone the chief. I was under continuous interrogation at all hours of the day and night. I was not permitted to get in touch with the Swiss embassy. So I was surprised when Rep. Charles O. Porter and several newsmen were authorized to interview me in October 1963. There I was told by the Cuban authorities that the death penalty was going to be imposed.

INHUMAN TREATMENT

Several weeks after this interview, I was taken out of G-2 with a black hood over my head, forced to lie down on the floor of a car, with three guards resting their feet on my body and their rifles sticking into me.

I was driven to some place in Havana and placed in a completely dark refrigerated room, stripped down to my underclothes and forced to sleep uncovered on the floor for eight days. It was so dark that I couldn't see my hands in front of me, and I could move about only by using the walls as my guide.

After five months, I was transferred to the old La Cabaña fortress in Havana and again held incommunicado.

This dungeon consisted of four usable "galleries" where approximately 650 political prisoners were jammed like sardines, forced to sleep on an old, poorly cemented floor, with little ventilation, and where the sun, moon or the stars could never be seen.

The sanitary conditions were shocking—only four toilet holes in the floor for the whole population, water rationed by the cup twice a day and, on occasion, a bath with a bucket and can if you were lucky.

At night the conditions were inhuman, with no mattresses, pillows, or sheets. We used sacks or whatever material was available and fought for a measly inch of space to rest our bodies.

It was from this dungeon that 159 of my fellow inmates and friends were taken out and executed. I heard the commands and the roar of the firing squads 159 times in a period of approximately nine months.

I was called and taken to trial three times. However, the trials were suspended because my attorney demanded the presence of observers from Geneva. I finally was tried on April 9, 1964, with Geneva observers present as well as accredited Western diplomats from non-Communist countries. The trial was a joke, a travesty of justice, with absolutely no positive proof. I was condemned to 30 years. I was lucky.

TERROR ON ISLE OF PINES

On September 11, 1964, I was taken to the Isle of Pines prison—commonly known as the "island of terror" or Cuba's "Devil's Island." Here the political prisoners were assigned to forced labor, but those classified as "dangerous persons" were ordered to hard work in the marble quarry.

These work brigades meant eventual death for most, for if you had escaped being shot at the pole, you were a sure mark here. Dozens of prisoners have been assassinated and hundreds beaten up, bayoneted or severly mistreated at the whim of a guard or by official order.

Three days after my arrival, I was called out to work in the quarry. However, I refused. Three days later, I was returned to La Cabaña fortress.

Back at the fortress, I was placed in one of the 12 galleries above the ground with condemned political prisoners. The conditions were atrocious. Between 4,500 and 5,000 men, confined in an old fortress that never accommodated more than 500 persons, now jammed to the ceiling with four-tier beds located everywhere possible.

The men were forced to sleep three under each tier, one in the aisle between tiers, on hammocks made of sugar sacks four tiers high, between the four-tier beds and in the main aisle from the rear to front entrance—right up to the toilets, all in a room only 110 feet long.

POLITICAL PRISONERS SHOT

At this prison, as in the others, the firing squads operated at full force. There were anywhere from 20 to 25 executions per week, to as many as 27 in one night. I am speaking of 1964. Among us there were no common prisoners, only political prisoners—men from all walks of life, whose only crime was their revulsion of Communism.

One would be surprised how much a human can endure under such conditions if he has the faith and the courage of his convictions. The will to fight for a moral cause gives an individual super resistance powers that he never knew he possessed. It is the survival of those determined and willing to sacrifice all to resist the plague of Communism.

In 1970, Mr. Emmick was transferred to a prison in Guanajay, about 25 miles from Havana.

On June 10, 1973, though suffering from the heart condition angina pectoris, I was transferred to the second floor of a building that obliged me to climb 40 stairs to reach my cell. Climbing stairs for an aging patient is often fatal, but my objections were ignored.

STRICKEN PRISONER NEGLECTED

Eleven days later, I had a severe heart attack. Injections for pain administered by my fellow prisoners saved my life, because I had to wait nine and a half hours before I was finally transferred to a military hospital in Havana. By then, I had double pneumonia as well. It was touch and go for three days. In December we were transferred to La Cabaña again. Conditions did not improve. I didn't receive any mail from my family. None of my letters had been received since 1970.

During the 1976 presidential campaign, conditions improved immensely. However, an enormous shortage of medicine persisted and expired medicines were re-dated or no medication at all was dispensed.

When President Carter was elected, there was jubilation among the prison's administrative officers. They bent over backwards to be good to us and then, suddenly on December 9, 1977, we were transferred to a new model prison in a convoy escorted by thousands of officers and troops.

From the outside the buildings look modern and attractive. With a combination of lively colors, they do not look like prison buildings. But once inside, it was a horrendous castle of isolation and mental torture.

I've attempted to give you but a few of the true facts of my 14 years, 3 months and 18 days imprisonment on this island, encircled by barbed wire of Fidel Castro and his Communist masters.

INFANT FOSTER MOTHER

HON. MICHAEL O. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. MICHAEL O. MYERS. Mr. Speaker, I read an article recently in the June 22 issue of Philadelphia's Catholic Standard and Times that I would like to share with my colleagues. It tells the story of Mrs. Helen Parris, a resident of my district, who for the last 8 years has been an infant foster mother to over 50 children. Mrs. Parris has given unfailingly of her time, her money, and most especially, her love to care for infants in their first few months of life.

In reading this article I was most impressed with Mrs. Parris' selfless service to those childern less fortunate than her own. In a time when it is so easy to believe that by human nature people are selffish, self-centered, and self-agrandizing, I was pleased to be reminded that individuals such as Mrs. Parris are still with us.

Her dedication and concern for others has set an example that we can all learn from. I was touched to read about Mrs. Parris and I am sure you will join me in commending her for her excellent service to her community and for her selfless outpouring of love for others.

The article follows:

[From The Catholic Standard and Times, Thursday, June 22, 1978.]

'YOUNG MOTHER HUBBARD' OPENS HOME TO INFANTS

(By John Bloomfield)

To her neighbors, she is "Young Mother Hubbard." To Sister John Regina, M.S.B.T., administrator of Catholic Social Services' (CSS) Unmarried Parents Department, she is "a very unique individual." To her children, she is simply "Mama."

Mrs. Helen Parris, a 40-year-old South Philadelphia, is indeed all of these things, although she considers herself "just an average woman."

What makes her unique? Helen Parris is an infant foster mother. She has been an infant foster mother for eight years—to 54 children. She hopes to continue for many more children, for as long as she can.

Mrs. Parris will admit that hers is not the easiest job in the world. Its basic responsibilities entail receiving a child directly from the hospital, usually at four days old, and caring for him for a period of time until the mother decides whether to keep or place her child for adoption. This period generally lasts for three months, although it is sometimes longer. In addition, Mrs. Parris takes the children to the doctor, occasionally arranges Baptisms, keeps in constant touch with CSS concerning the child's progress, and undertakes the arduous task of being a surrogate mother, day in and day out, for a seemingly endless stream of children.

Sister John Regina, who has come to know Mrs. Parris well since their association first began, admits that such zealousness is a rare commodity. "There are a few families who are similar to Mrs. Parris in the constant care of children, but most need a rest every now and then. She just happens to have an abounding love for babies. The more she has, the happier she is. She's unique in many ways."

Mrs. Parris, who claims that her house has looked like a nursery for as long as she can recall, has three children of her own in addition to a teenage foster child and the infants. She generally cares for two babies at a time. In cases of emergency, however, she sometimes finds herself with three. Coming from a family of seven herself, she has been around children nearly every day of her life. "I do this because I want to," she states: "I don't want to impress anyone."

Although Mrs. Parris is given an allowance for the care of each child, she regularly exceeds this limit and supplements the allowance from her own income. "I treat every one as if they were my own. If you cannot feel for them, it is not going to be a rewarding experience. You have to know this when you start. To tell you the truth, I think it's a lot of fun," she said.

Although most children leave after a three month period, many do stay longer. One child was with her until he was two-and-a-half years old. "It's not healthy to have a child for a long time," she observes. "It becomes very difficult to let them go. That's the only part I don't enjoy. You feel a sense of loss each time a baby leaves."

However, this feeling is always allayed with the prospect of receiving yet another child. "I still find it very exciting to get a call from CSS, saying, 'We have another baby for you.' "●

VOTE NOT RECORDED

HON. W. G. (BILL) HEFNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. HEFNER. Mr. Speaker, upon reading the CONGRESSIONAL RECORD for Thursday, July 13, 1978, I have found that my vote was not recorded on the final passage of H.R. 15, the Education Amendments of 1978. This both perplexes and distresses me. It perplexes me because I was present on that day and voted on every rollcall and recorded vote, including the vote on the Ashbrook substitute bill immediately preceding the vote on final passage. I voted for final passage using the electronic device but for whatever technical or mechanical reason, my vote was not recorded. This distresses me, too, because I have been and will continue to be a supporter of Federal aid to our States and local communities for education. The bill passed by the House on Thursday is one of the most essential pieces of legislation considered by Congress this year. It represents a new effort to reestablish education as one of the highest priorities of our society.

President Carter stated this as one of his goals in his education message to Congress last spring, and we, in the Congress, have responded to his challenge. The bill, and the appropriations legislation we have already passed, commit the Federal Government to the largest increase in funding for education in 15 years. In a time of concern over Federal spending and the tax burden on our citizens, this bill illustrates our feeling that money spent on the education of our children is the best possible kind of investment in the future. I am proud to have supported this bill even if the official record does not indicate my strong support on final passage.●

PITTSBURGH, THE SMOKY CITY NO MORE

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, Pittsburgh for too long has carried the unfair label "The Smoky City." Often the first thing visitors to Pittsburgh do, after they marvel at the city's charm and beauty, is remark how clean the city's sky is.

A major clean air campaign begun in the early 1950's transformed Pittsburgh from a city with poor air quality to one with healthy, clean air.

Yesterday's Washington Post carried an article about how one company, Duquesne Light, is doing its part to maintain the air quality around our city. I would like to include that article in the RECORD at this time.

IN ONCE-SOOTY PITTSBURGH, DUQUESNE LIGHT HAS SCRUBBED UP ITS ACT—FOR $300 MILLION

(By James L. Rowe, Jr.)

PITTSBURGH.—Years ago, the story has it, pilots used to know that they were approaching Pittsburgh's airport from the heavy black plume above the smokestacks at Duquesne Light Co.'s generating plant on Brunot Island.

When they saw the smoke, they knew it was time to turn for the airport.

Today, the navigational aids—both in the cockpit and at the airport—are much improved. And that is for the good because pilots can no longer rely on Duquesne Light for guidance.

Brunot Island no longer throws much soot into the Pittsburgh air. Once a heavy coal-burning plant that supplied a large portion of the Pittsburgh area's electric needs, Brunot Island today burns expensive, but relatively clean, heating oil to supply this city's electric needs during periods of peak demands. Other times, the plant doesn't operate.

But here, in the middle of one of the biggest coal-mining regions in the United States, Duquesne Light could not transform all of its coal-fired generators to oil. While it did shut down some very old coal-burning plants as well as convert Brunot Island into a peak-load facility, the company could not afford to close all its old coal plants and build enough new ones to supply the electricity needed here.

When Congress passed its clean air laws in 1970, industries and local environmental control agencies across the country were put on notice that they would have to take serious, and often expensive, steps to clean up the dust and noxious gases that their industrial processes were putting into the atmosphere.

And in Pittsburgh, heavily industrialized as it is and trapped in a river basin by the Allegheny Mountains, the clean-up probably has been as difficult as for any city in the country.

The Carter administration is becoming concerned about how much environmental regulations contribute to inflation and is examining whether there may be more efficient ways to reach the same air and water quality goals without interfering with the industrial process or adding to costs as much as federal mandates have in the past.

Although Pittsburgh is no longer the nation's most important steel producer (the Chicago area has been for several years), steel mills—many of them old—are everywhere and still the worst contributor to Pittsburgh's air quality problem. But coal-burning utilities run a close second.

Pittsburgh's atmosphere is far from pristine, even today, notes Ronald Chleboski, deputy director of Allegheny County's Health Department, but the improvement in recent years has been marked. Both dust and sulphur dioxide emissions have been reduced by more than half since 1971. In 1974 Pittsburgh had 21 "episodes" in which pollution was so bad that industry was required to curtail output. "In the last 12 months we've had only two," Chleboski said.

Nonetheless, Allegheny County, remains a "non-attainment area" in the jargon of the federal Environmental Protection Agency. That means, among other things, that new industrial sites cannot open up in Pittsburgh unless a plant producing a like amount of pollution is shut down. At several of the county's monitoring stations there is more dust in the air than 75 micrograms per cubic meter that the federal regulations call acceptable. Two monitoring stations register more sulphur dioxide than is considered ambient.

Duquesne Light Co., which serves about 537,000 customers, was the first major company in the Pittsburgh area "to come forth with a total program for all their facilities," Chleboski said. At other companies we "often had to go after sources (of pollution) on a one-at-a-time basis."

The Duquesne plan included shutting down an old coal-burning facility, converting from coal to oil at its plant that supplies steam to downtown office buildings as well as shifting Brunot Island to a peak-load oil-burning facility.

But the company still needed the power it generated from two older coal-burning plants—Elrama and Phillips. At the same time, under the law (prescribed for new equipment by the federal EPA but adapted by Pennsylvania authorities to apply to already existing facilities) the utility was required to sharply reduce the amount of sulphur dioxide and particulates (dust) it was putting into the air at these two stations.

When the plants were built decades ago, they were equipped with so-called mechanical dust collectors and electric precipitators that in the case of Phillips collected between 85 and 90 percent of the dust that was created by burning coal to make steam to power turbines to make electricity.

At neither plant was there any equipment to remove the sulphur dioxide gas emitted by the burning coal (in fact, no technology existed that would remove sulphur dioxide when the facilities were built).

But in 1973, at a cost of more than $50 million, the Phillips station was retrofitted (jargon for putting new devices on an old facility) with a system of gigantic cone-shaped scrubbers to wash pollutants out of the emissions. Phillips also got a high smokestack to dissipate in the upper atmosphere what the company could not remove with its scrubbers, as well as an elaborate holding tank-disposal system to get rid of the wet sludge created by the scrubbers.

Today, the Phillips plant (like its Elrama cousin where another $50 million was spent) catches 99 to 99.5 percent of the particulates (most of the time) and 83 percent of the sulphur dioxide, according to Steve L. Pernick Jr., manager of environmental affairs for Duquesne Light.

But it has been a costly clean-up that goes far beyond the $105 million Duquesne estimates it spent on Elrama and Phillips or the $300 million in total it has shelled out for pollution abatement on all its old and new plants, notes Pennsylvania public utility commissioner Helen O'Bannon.

"The operating costs are enormous—whether it's the high price of low-sulphur coal, the disposal problems, or the maintenance of the facilities. We've found out this stuff is tricky. It doesn't always work the way you think it's going to."

The acid in the scrubbers often corrode the steel interior. Scrubbers clog up with sludge. The fans that move the dirty air have had their problems. Even the smokestack fell prey to acid attacks and had to be reworked.

O'Bannon, whose commission must pass on all rate increase requests from Duquesne Light, figures that 18 to 20 cents of every revenue dollar at Duquesne "has something to do with pollution abatement." That means Duquesne customers pay about 18 percent of their electric bills to clean up the environment.

Pernick estimates that the operating costs add about $10 to $12 to the $22 to $23 the utility pays for each ton of coal. In 1977, Duquesne Light estimated its operating costs at $249 million, of which pollution control accounted for $67 million. Curiously, the utility's net income was just about $67 million last year too.

O'Bannon said that the increasing costs of generating electricity and the increasing complexity of installing and maintaining anti-pollution equipment will make it hard for utility commissions to stay out of areas that used to be the prerogative of management—including what sorts of technologies a utility should adopt.

"There are extremely costly, sophisticated decisions to be made and utility management nationwide is not of the caliber to deal with these diverse systems. They are very one-product oriented. They don't deal well in cost-constrained environments.

"And increasingly, as the capital expenditures grow, utilities are coming in and asking for an up-front guarantee. If the project goes bust, they want to make sure they can still include it in their rate base."

Before there were pollution controls, of course, everyone in the Allegheny Valley paid the costs of pollution—with their lungs, their health and frequent paint jobs on their houses. Now the customers of the industry that caused the pollution pay more directly for the cleanup costs. In the case of a steel mill product, a Pittsburgh resident might have been subsidizing with his health the cost of a car bought by a New Yorker.

Economists call this internalizing (putting into the price of the product) a cost that had been borne externally.

Because of the more local nature of a utility those who benefit from the clean air or water are generally the same people who are paying the higher electricity rates.

At older plants like Phillips, where pollution-control devices were fitted on existing generating equipment (there are six boilers and four turbines), the problems are even greater than at new facilities, like Duquesne's Bruce Manfield stations, two of which are open and one of which is under construction.

"Because the scrubbers are so unreliable, there's a limit on our generating capacity at Phillips," Pernick complained. "Of the four scrubbers at Phillips, usually one is out. That gives us a reliability factor of 75 percent, compared with 85 to 90 percent for our boilers."

Furthermore, because the system is old, some outside air leaks in and gets cleaned along with the noxious discharges from the boilers. Since the scrubbers can only handle a certain volume of air, the generating capacity is further limited.

"Phillips has a capability of generating 380 megawatts," Pernick said. But it can be counted on for only about 280 megawatts with the pollution equipment.

Under the rules, noted O'Bannon, companies are not permitted to install any form of scrubber bypass, so that it could continue

to generate in an emergency if the scrubber broke down. When the scrubber goes down, so does generating capacity. She said she would like to see the rules changed so that utilities could temporarily bypass scrubbers in an emergency.

Pernick said that so far no brownouts or black outs have been caused by an environmentally caused shutdown of capacity, but said the threat is always there.

The four steam turbines and six boilers at the Phillips plant are housed in an eight-story, two-football field long building about six miles from Pittsburgh airport. To house the scrubbers Duquesne Light built a similarly sized edifice directly behind the generating plant.

The dirty gases poured off the boilers are sent first through a mechanical dust collector that shakes the big pieces of soot out of the air. Then the air shoots through electric precipitators that attract more dust from the air. Then the smoke is sucked through a 20-foot by 16-foot duct that crosses from the top of the generating plant across to the scrubber building.

The four, 50-wide scrubbers are connected in sequence. When one of the scrubbers is down for maintenance or repairs, as is usual Duquesne officials say and which was the case on a recent day in late June, the company has to reduce the rate at which it fires its boilers in order not to generate more smoke than the scrubbers can handle.

Gas is sucked into the cylindrical scrubber from the top and is bombarded with a high-speed mix of water and magnesium oxide lime. The lime-water mist absorbs most of the remaining dust and about 83 percent of the carbon dioxide. The water droplets fall to the bottom of the scrubber (producing about a ton of sludge for every three tons of coal burned) while the clean gas continues on and emerges from the top of the 340-foot smokestack located at the back of the scrubber building.

The water-lime-dust-sulphur dioxide residue is washed into clarifying tanks. The water is separated out and put back into the scrubber system. The sludge is treated and disposed of in a landfill up the road.

Not only does this complicated system of anti-pollution devices often break down the system consumes about 10 percent of the electricity generated at Phillips, electricity the company otherwise could sell.

The Carter administration is reviewing environmental regulation to see if the rules should be rewritten to give industries a clean air and water goal but not mandate how an industry must achieve those goals. Many industries, such as steel, complain that they could have attained the same level of pollution control much more efficiently and cheaply than the ways they were ordered to do it by states and the federal Environmental Protection Agency.

Pernick, however, doubts that Duquesne would have done things much differently. Unlike a steel mill, where the processes are many and the sources of pollution multitudinous, there is only one important source of air pollution at a generating site: the smokestack. And, as unreliable as the wet scrubber may be, Duquesne officials say they think it is the best way to eliminate soot and sulphur from the air.

There are newer, more exotic systems such as fluidized bed boilers, but Pernick said the company will probably stick with scrubbers.

So far, the Pennsylvania Public Utility Commission has permitted companies to pass on in higher rates the full capital and operating costs of anti-pollution equipment, O'Bannon said. But, she said, "It is getting to be more of a nitty problem. EPA standards are getting more stringent, but no one is taking a look at the costs and the benefits."

At present, O'Bannon said, "We're saying environmental regulations are reasonable. I have no problems paying all the costs. We've gotten by for too long paying only the direct costs while people here have respiratory problems."

But, she said, "We've got to ask what our goals are. Is it 100 percent pure, 100 percent of the time, or should there be some recognition of technological fallibility and costs." ●

AIRBUS AND THE AMERICAN AEROSPACE INDUSTRY, PART 2

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. HANNAFORD. Mr. Speaker, the success of Airbus Industrie in selling its A300 aircraft to Eastern Airlines and in being a viable competitor in current sales negotiations with other airlines underscores the fact that the American aerospace industry no longer enjoys a hegemony in the world marketplace. American companies have been of two minds on the problem: should they attempt to fight the foreign competition, perhaps with Government support, or should they join the foreign competition in some form of multinational consortia?

I insert an article on this situation from the July 2 Los Angeles Times:

UPSTARTS BAFFLE AEROSPACE ESTABLISHMENT

For years the European aviation companies have been treated like junior partners in an old-time firm. But now that the resurgence of the European industry has shown how much they've grown up, the American aerospace companies are divided on whether to let the upstarts join their club.

Recently, for instance, Harry Gray, the chairman of giant United Technologies Corp., which dominates the jet engine market through its Pratt & Whitney division, ran into George Warde, chief of North American operations for the European consortium, Airbus Industrie. It was not a friendly encounter.

In April Airbus had made its first sale of airplanes in the United States, to Eastern Air Lines for about $800 million. A couple of weeks later, at the United Technologies annual meeting, Gray blasted the Airbus sale, along with the purchase by Pan American World Airways of Lockheed L-1011 Tristars using British Rolls-Royce engines, charging that the deals "point up a disturbing trend. More and more, we find ourselves competing for commercial business both against other engine manufacturers and against foreign governments."

When Warde and Gray met, the head of the American firm was not eager to defend his remarks for, ironically, not only does Pratt & Whitney compete against the Airbus, usually equipped with General Electric engines; it also is spending about $25 million to certify its engines for use on the Airbus. In fact, after Warde chided Gray for suggesting that the financial help rendered by European governments and banks undercut free competition, Gray replied that press reports had twisted his meaning. Never mind that the company report after the meeting confirmed the accuracy of the press accounts.

Many U.S. aerospace firms are, for the first time, facing Harry Gray's dilemma with the Europeans: should they compete—or collaborate? Some, like United Technologies, are trying to have it both ways.

The question goes to the heart of the international position of the American aviation industry. Since World War II, U.S. industry has overwhelmed nearly every non-Communist nation with its commercial planes and military weapons. The aerospace industry is the second largest exporter in the United States, by annual dollar volume, surpassed only by agriculture. With a few minor exceptions, such as the French independent company Dassault-Berguet, foreign aviation firms have played a subordinate role, serving as suppliers and subcontractors for the U.S. industry.

Bolstered by the huge internal U.S. market and the cross-over benefits from military spending, the aerospace industry is one of the few remaining cornerstones of American economic imperialism.

The Europeans, however, are becoming increasingly independent. "If our government doesn't act to correct this trend," warns Gray of United Technologies, "our nation could face erosion of its long-time leadership in the commercial aircraft market."

Keeping the Europeans in their place won't be easy, though, for they have come to resent their second-class status. The symbol of their newly won independence is the Airbus. American companies, for a change, are serving as subcontractors to the European project. Although the Airbus has yet to turn a profit, its prospects have improved enough to spur the Europeans to consider future airplanes, such as a smaller Airbus and a family of new planes to be called JET (Joint European Transport). JET is a British idea for forming a pan-European partnership in direct competition with American companies.

This conflict—the growing pride and independence of the European industry, backed by solid financing, arrayed against the continuing technological leadership of the United States—will come to a head in the next few months. The issue is whether Great Britain will throw its weight behind an American or a European commercial airplane project.

"It's the most important aviation decision for the remainder of this century," Gen. Jacques Mitterand said recently in an interview with the New York Times. Mitterand is the director of Aerospatiale, a big aerospace concern owned by the French government and one of the key partners in the Airbus project. "The future of Europe's civil aircraft industry depends on what the British government decides in the next few months."

The French and West Germans want British Aerospace, the government-owned company, to join the Airbus consortium. For the British, this arrangement holds out the promise of full partnership, but at a price. Not only would the British company have to buy into the project, but the power plant would be jointly developed by the French and General Electric rather than built by Rolls-Royce, the government-owned engine company.

Tugging in the other direction is a plan of Seattle-based Boeing Co., which has offered to give Britain a share of the new 757, the company's proposed medium-sized, narrow-body jet seating about 160 passengers. Boeing's appeal is that its programs have generally been highly successful—an important consideration to the loss-plagued British aircraft industry—and the deal would allow the British to build the wings, engines and engine casings. The price, however, would be continuing minor-league status in a Boeing-led program, and giving up at least one of the JET planes.

"I realize that the British resent being subcontractors," says E.H. (Tex) Boullioun, president of the Boeing commercial airplane unit. "But in order to keep the costs under control, we think we have to be in charge."

More recently, McDonnell Douglas proposed a deal to overcome the drawbacks of the other two programs. Instead of sub-

ordination, McDonnell Douglas is willing to offer partnership to both the British and the Europeans. By wrapping all three participants around an airplane package based on its preliminary designs for an advanced-technology medium-range (ATMR) transport, McDonnell Douglas hopes to challenge arch-rival Boeing in a key market with comparatively little risk. Britain would build Rolls-Royce engines for the plane and would share two-thirds of the airframe construction with other Europeans. But it is questionable whether the Airbus partners would find the proposal as attractive as Britain would.

To further complicate the already bewildering variety of choices, Lockheed Corp., which has forged a firm relationship with Rolls-Royce, is trying to entice the British by allowing them leadership on a program to modify the L–1011 Tristar for the medium-sized market.

The alternatives have split the British government into warring factions. One group, led by Rolls-Royce and the government airlines, British Airways, is lobbying for the Boeing deal because of the 757. British Airways wants to buy it and Rolls-Royce wants to build engines for the potentially lucrative program. British Aerospace, on the other hand, opposes the Boeing proposal because it would relegate the British company to being a subcontractor and would not offer enough financial advantages. Within British Aerospace, however, advocates of the all-European JET are pitted against those who favor the McDonnell Douglas proposal. At the same time, the Europeans are pushing for a quick, favorable decision.

The reason for the intense struggle is that British backing would provide important financial and technical help in launching an expensive new aircraft program, while practically guaranteeing British Airways as a customer of the chosen project and weakening the attractiveness of competitive planes.

The British government would also back the project by providing loan guarantees and other financial assistance. The terms of financing are becoming a crucial, new factor in aircraft sales—particularly in sales to U.S. airlines.

When Lockheed sold 12 L–1011s recently to Pan American World Airways, the British government, with its stake in the Rolls-Royce engines powering the L–1011, guaranteed the financing on the entire aircraft. In the past, such guarantees had been limited to the engine financing.

The British financing of the Pan Am sale and the terms arranged for Eastern Air Lines to buy the Airbus have aroused protests from aerospace executives like United Technologies' chairman Gray, Boeing's treasurer J.B.L. Pierce, and politicians close to the U.S. aerospace constituency. What is new is that for the first time, the Americans are facing a competitor who can invade their home market with substantial export help.

"Whether the terms involved (in the Airbus deal) are more or less favorable than those of our own Export-Import Bank will be a never-ending debate," says Edmund Greenslet, an aerospace analyst for Merrill Lynch, Pierce, Fenner & Smith. "The real issue, of course, is that those terms are available to United States airlines on the A300, whereas Export-Import financing is not."

The American firms have no choice but to match the European terms. "All other things being equal," says United Airlines president Richard Ferris, "financing will determine what we buy."

United is expected to decide soon whether to buy the new Boeing 767, the Airbus A300 derivative, or a combination of both. The United Sale is considered crucial to the plans of both Boeing and Airbus for launching new aircraft programs.

With so much riding on the pending decisions it is easy to see why all the aerospace firms are trying to win over the Europeans at the same time they are competing against them.

Whatever happens in the next few months, the Europeans have fundamentally changed the rules of the aerospace game. There's more competition, cooperative arrangements will become even more crucial in gaining access to markets, and U.S. airlines are fair game for the outsiders. Whether the Americans like it or not, the Europeans are joining the club.●

SHOULD INSURANCE COMPANIES HAVE TO SELL THEIR EMPLOYEES' GOLF COURSE TO PAY LIABILITY CLAIMS?

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. LaFALCE. Mr. Speaker, recent insurance company advertisements appealing to members of the public who serve on juries have not escaped the caustic wit of that great American commentator-humorist, Art Buchwald. In a recent column (Washington Post, July 18, 1978) he fantasizes himself a member of a jury in an "open-and-shut" negligence case, where the only issue is the amount of damages for four orphaned children.

In his inimitable style, Mr. Buchwald urges the other jurors to say, "Enough is enough. We will not reward people for negligence committed by another party"! He argues to the other members that so long as insurers "don't have to pay off, they can build skyscrapers, invest in the stock market, float real estate loans and sponsor some of the best programs on television." If they must pay claims, insurers will then be forced to raise premiums.

His fantasy concludes by his advising the jurors that, while he will abide by their decision, it will be on their conscience when the insurance company is forced to sell its employees' golf course to satisfy the claim.

The article follows:

CAPITOL PUNISHMENT—WHAT ARE INSURANCE COMPANIES FOR IF IT ISN'T TO TAKE RISKS?

(By Art Buchwald)

We see the advertisements in newspapers and magazines. They are paid for by the insurance companies appealing to the public who may serve on juries. Every time we award a plaintiff a settlement in an accident case, we are only hurting ourselves. It isn't the insurance companies who will suffer, we are told, but the public, because when we decide in favor of the plaintiff the companies, have no choice but to raise our rates.

I don't know about you, but the advertisements have persuaded me.

I have this fantasy that I'm on the jury of a giant negligence case. We've heard all the evidence and we are now back in the jury room trying to arrive at a verdict.

The foreman of the jury speaks first. "All right. This is an open and shut case. The truck driver rammed into the victim's car killing both parents and leaving four orphans. The evidence indicated the brakes on the truck were faulty and the trucking company sent it out on the road anyway. How much money do we award the children?"

"Wait," I cry. "There's more at stake than that. What about the trucking company's insurance people? What will happen to them if we award a sizeable sum of money to the children?"

"They'll have to pay it," a juror says.

"But it will eventually come out of our pockets—yours and mine."

"What the hell are you talking about?"

"Don't you read the ads?" I said. "Every time a jury awards a large sum of money to the victims of an accident, we, the public, have to eventually pay for it. The insurance companies aren't in business for their health."

"What are they in business for?" another juror wants to know.

"To serve the public. They collect premiums from all of us to protect our lives and property. As long as they don't have to pay off, they can build skyscrapers, invest in the stock market, float real estate loans and sponsor some of the best programs on television. But if they have to start paying off on their policies they can get in serious financial difficulties, and then we, the policy holders, have to bail them out."

"Are you saying we shouldn't award the plaintiffs in this case any money because the insurance company will get hurt?"

I reply, "All I'm saying is we should think about it carefully. Why should we punish a poor insurance company, which, if it loses the case, will only punish us?"

"That's what insurance companies are for," a juror retorts. "They're supposed to take risks. The insurance business is nothing more than a giant crap game, and it's their job to pay off when they lose."

"That is exactly the attitude that is driving insurance rates up all over the country. Every time a case gets to court we say, 'Let the insurance company pay through the nose.' Why can't we be the first jury to say, 'Enough is enough. We will not reward people for negligence committed by another party.' Don't you see? We have it in our power to stop spiraling insurance costs once and for all."

"What have you been smoking?" one of the jurors asks.

"All right," I shout. "I'll go along with whatever award you want to make. But when the insurance company has to sell its employes' golf course to pay for this case, it will be on the conscience of every person in this room." ●

AGAINST H.R. 12232

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. FRENZEL. Mr. Speaker, yesterday I was obliged to vote against H.R. 12232 for the sole and simple reason that it defers the date after which unemployment compensation would be reduced by the amount of any work-related governmental or other retirement pay received by the claimant.

Our law never intended that unemployment compensation should be paid to pension recipients. This Congress specifically provided that pension income would be deducted from unemployment compensation in 1980. H.R. 12232 extends that date to 1981, thus extending for a year the right to double dip.●

THE SNAIL DARTER AND THE TVA

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. SAWYER. Mr. Speaker, I am inserting in the RECORD at this time an editorial from the Grand Rapids Press which appeared on Monday, July 3, 1978. It comments upon and takes a closer look at the circumstances that led up to the Supreme Court's controversial decision regarding the Snail Darter and the Tellico Dam. I am pleased to bring this fine editorial to the attention of my colleagues:

[From the Grand Rapids Press, July 3, 1978]

THE LOWLY SNAIL DARTER

The three-inch snail darter, a rare and endangered species of fish, has suffered great abuse since its discovery in 1973 along a 17-mile stretch of the Little Tennessee River. But none so great as that generated by last month's Supreme Court decision that the 1973 Endangered Species Act bars completion of the Tennessee Valley Authority's $116 million Tellico Dam and Reservoir project. "You've got to be kidding," seems the general response.

Now that the guffawing may be dying down it is time to take a closer look at the circumstances which led to the confrontation between big dam and little fish. It is a lesson in the arrogance of bureaucracy and, more specifically, how the paper pushers in the federal government chose to disregard the specific wishes of Congress.

In 1966 Congress appropriated money for construction of the dam, and land acquisition began within the year. But in persuading the lawmakers that the project was worth the taxpayers' investment, the TVA people first had to establish a "positive cost-benefit ratio." This was obtained in a most curious fashion.

Farm land required for the impoundment was condemned and taken, the normal procedure in such cases. But adjacent property was acquired as well. Why? Well, it seems TVA intended to sell the property to a private corporation for the development of a new "planned community." Profit on the sale was then plugged into the required positive cost-benefit ratio and—presto!—the project was justified. The courts agreed.

In other words, a federal agency condemned the land of owner X with the specific intention of reselling it to other private persons at a profit. Whether or not the public good is served, is expropriation under such conditions forthright or fair? Not by any standards—except the state's.

That is mild stuff, however, compared to the events which followed. At the time the snail darter was discovered in 1973, the TVA had spent $36 million on the project, most of which was for land acquisition. As Chief Justice Warren Burger observed in the 6–3 majority opinion, provisions of the Endangered Species Act are "explicit" and the law's language "admits of no exception."

So, in compliance with the law, did work on the dam cease? Did TVA immediately begin to revise its plans to salvage some of the project benefits, or did it ask Congress to amend the Endangered Species Act? No is the answer to all of these questions. Instead TVA undertook a 24-hour construction schedule.

This was done for obvious reasons. It was anticipated that if enough dam could be completed before the courts required those in authority to follow the law, the news media would have a lot of fun with this "little fish vs. big dam" battle. How correct they were. Television and the press, with the notable exception of Charles Mohr of the New York Times, fell for it hook, line and sinker.

Obscured in this controversy, however, is a fact of life that the public and our lawmakers had better take note of. The Tellico experience, as Roger Conner of the West Michigan Environmental Action Council recently remarked, amply demonstrates "that federal bureaucracies cannot be moved even by an unequivocable command from Congress." That is the real message of Tellico.

Lastly, it should be said that the Government Accounting Office report on the project suggests that the discovery of the snail darter—coinciding as it did with the private company's abandonment of the "new town"—offered an opportunity to reevaluate and redesign the multi-purpose project around a free-flowing river. Had TVA done so, it would have achieved most of the project's purposes capable of attainment, spared the snail darter which requires a free-flowing stream habitat to survive and saved the taxpayers several tens of millions of dollars to boot.

Instead the snail darter is considered a joke and TVA is preceived as the hero, as Congress prepares to amend the tiny fish out of the Endangered Species Act and into extinction.●

BALTIC NATIONS REMEMBERED

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. BRODHEAD. Mr. Speaker, from its beginnings the United States has been committed to the principle of self-determination, or the right of people to choose their own form of government. Unfortunately, the Soviet Union has chosen to callously disregard this principle in its illegal occupation of the Baltic nations—Latvia, Estonia, and Lithuania—and in its harassment of the citizens of these countries. I believe the United States must never acquiesce in this infamous action, and I have introduced House Concurrent Resolution 276 to reaffirm our longstanding policy of nonrecognition of the Soviet Union's annexation of the Baltic nations.

On June 18, 1978, people of Latvian, Estonian, and Lithuanian descent from the Detroit area met to commemorate the 38th anniversary of the forcible occupation of the Baltic republics by the U.S.S.R. A resolution was adopted at this gathering, and I wish to share it with my colleagues:

THE BALTIC NATIONS COMMITTEE OF DETROIT, INC.

We, the Americans of Estonian, Latvian, and Lithuanian descent residing in the Metropolitan Area of Greater Detroit, County of Wayne, in the State of Michigan, gathered in a meeting on June 18, 1978, at the Lithuanian Cultural Center to commemorate the 38th year of the forcible occupation of the Baltic Republics by the Soviet Union and the 37th anniversary of the first mass deportation of hundreds of thousands of the Baltic people to slave labor camps in Siberia, at a Commemorative Concert Sponsored by the Baltic Nations Committee of Detroit, Inc., did unanimously adopt the following:

RESOLUTION

Whereas, we are concerned that security and peace in Europe can be maintained only if all European Nations including Estonia, Latvia and Lithuania, who by aggression of the Soviet Union, have been deprived of their national freedom and independence, regain those rights that are theirs under international law; and

Whereas, the forcible annexation of the Republics of Estonia, Latvia and Lithuania 38 years ago by the Soviet Union as a result of the notorious Molotov-Ribbentrop Pact was an act of aggression committed in violation of treaties and agreements valid between these States and the Soviet Union and cannot have any legal or binding effect under international law. The Soviet Union cannot, therefore, claim that the problem of the Baltic States is her domestic affair; and

Whereas, the annexation of the Republics of Estonia, Latvia and Lithuania by the Soviet Union is not only legally void, it cannot be justified by possible claims, that it was necessary for Soviet Security and whereas, the United States Senate unanimously passed Resolution 319 on July 26th in the Bicentennial Year of 1976 of our Republic stating that United States should continue not to recognize this illegal occupation. Now, therefore be it

Resolved That the United States raise the question of this hideous occupation at the International Political Conferences as the most pressing issue and as a fitting tribute to the just aspiration to liberty and freedom by those oppressed people; and

That we respectfully request the U.S. Government to bring up at all future world forums the HUMAN RIGHTS question in the Baltic States and other Soviet Russian occupied countries. We emphasize again the illegal occupation of our homelands and therefore, respectfully request the President of the United States to use his good office to help to restore freedom to the Baltic States of Estonia, Latvia and Lithuania, as well as to all Captive Nations, and

That although today our thoughts are with the people of Estonia, Latvia and Lithuania, we also are concerned about the future of all Captive Nations occupied by the Russian Communist Imperialists, and

That we again warn the Western Powers against signing conciliatory agreements with the USSR, such as the agreement that was signed at Helsinki Security Conference with the USSR! The failure of the USSR to permit free emigration of separated families from the occupied Baltic States; and

That no "Powers" ever should have the right to decide the future of: Estonia, Latvia and Lithuania! Only the Baltic peoples themselves have the solemn right to choose their political and cultural structure, as Sovereign States with proud heritage of many thousands of years on the Baltic shores; and

That the Baltic people will never accept the incorporation of Estonia, Latvia and Lithuania into the Soviet Union; and

That we send this Resolution to the President of the United States of America and copies thereof to the Vice-President of the United States of America, the Speaker of the House of Representatives, the Secretary of State, our Senators and Congressmen representing the State of Michigan in Congress, and to the press.

Done at the Lithuanian Cultural Center, 25335 West Nine Mile Road, Southfield, Michigan, this 18th day of June, 1978.

KALLE EELNURME,
Chairman.
RAIMOND TRALLA,
Secretary.●

HAPPY BIRTHDAY MR. YOUNG

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. BADHAM. Mr. Speaker, it is again my pleasure to bring to the attention of

my colleagues that July 18 is once again upon us and that this date is the birthday of John Rathbun Young of Newport Beach, Calif. This big man of warm heart will again celebrate his birthday with a group of prominent Newport Beach citizens who gather to pay tribute to Mr. Young on the occasion of his birthday.

Of particular note this year is the fact that Mr. Young because of his longstanding desire of contribution to community has undertaken construction of a sewage treatment plant in Texas to enhance the ecological and environmental balance of the waterways in that State.

Because of his continued contributions to his community and others, I know that my colleagues would want to join me in wishing Mr. Young a most happy day on the occasion of his 45th birthday.●

A NEW BEGINNING IN MIDDLE EAST TALKS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. ROSENTHAL. Mr. Speaker, this week heralds the first direct political negotiations between Egypt and Israel since Egypt suspended talks in Jerusalem last January. In a castle 45 miles from London, Secretary Vance today opened meetings with the foreign ministers of Israel and Egypt in what could be the point of departure for future Middle East negotiations.

But if this conference is to mean anything, all parties to a Middle East settlement must recognize what a commitment to negotiate entails. Real negotiation means ending the pattern of rhetoric and recrimination that has characterized Middle East communications. Real negotiation means that Israel and Egypt must stop corresponding by press release. Real negotiation dictates that Israel, Egypt, and the United States declare a moratorium on preconditions, public declarations, and the media blitz that has sent even the most optimistic Middle East observer scurrying for cover.

Since January, there have been more than 20 meetings between high level Middle East an U.S. officials. Countless press statements have emanated from Cairo, Jerusalem, Washington, and points in between. And during the past 6 months, our Ambassador-at-Large has engaged in three intensive rounds of shuttle diplomacy. However, despite all the apparent movement, progress toward a Middle East settlement has been disappointing. All to often, momentum toward peace has been pursued for momentum's sake. The time has come for Israel and Egypt to sit down and hammer out their problems together.

To this end, the United States should use the Leeds Castle conference to reemphasize its commitment to a peace settlement negotiated directly by the states of the region and not imposed by any outside power. The search for commitments to a final solution in advance of negotiations is doomed to failure. Long-range questionaires, peace plans submitted to third parties, and rejections broadcast over the airwaves are not substitutes for direct talks.

Particularly disconcerning of late has been American pressure on Israel. In Washington, Israel's position has been unfairly and inaccurately labeled as the obstacle to peace. Such pressure only serves to raise expectations in Egypt and other Arab nations that the United States itself will effect a new accord. Thus the Arabs have little incentive to negotiate head to head.

In fact, Egypt has had a positive incentive to harden its stand. Israel's concrete and detailed peace plan was rejected by the Arabs without discussion. Jordan continues to demand a comprehensive agreement in advance of negotiations. And Egypt's first written proposal, which includes elements long ago rejected by Israel, leaves out any mention of an ultimate peace treaty or United Nations Security Council Resolution 242, hitherto agreed upon by all sides as the basis for negotiations.

The recent sales of sophisticated warplanes to Egypt and Saudi Arabia were advocated on the basis that they would increase Arab self-confidence and willingness in negotiations for a peace settlement. Since the Senate vote, however, the Saudis have not changed their position of refusing public encouragement for the peace process, and Egypt has even spoken of renewed war.

The United States must now prod the Saudis into bringing their influence to bear on both Egypt and Jordan. Unofficial reports indicate that Saudi Arabia supports peace. But we have yet to see that powerful Arab nation make a tangible, public display of its support for a negotiated settlement.

In particular, King Hussein's participation is critical to the success of any negotiations. President Sadat cannot be expected for very long to carry the burden of representing him. Jordan must be encouraged to drop its demand that preconditions be met in advance of any direct involvement on its part; real negotiations do not require a preconditioned statement of principles.

Mr. Speaker, neither side of the Middle East conflict has a monopoly on the truth, yet is not enough for any nation to simply profess a desire for peace. What is needed now is a commitment by all parties involved to a process of hard bargaining. It is in the setting of face-to-face talks that deeprooted mutual distrust can best be dispelled, that the oft-blinded cries and countercries of public opinion can be set aside.

I am most encouraged by the meeting last week between President Sadat and Israeli Defense Minister Ezer Weizman. Hopefully, that meeting—characterized by its one-on-one nature and an absence of undue press attention—will signal a new beginning in Middle East talks.

The United States still has an important role to play in bringing the parties together and in creating a climate of trust and understanding. Let us hope such a climate will be fostered in England this week.●

THE VETERANS HOME LOAN PROGRAM

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. TEAGUE. Mr. Speaker, on July 17 the House of Representatives passed the Veterans Housing Improvements Act of 1978 to update and restructure one of the finest Federal programs ever devised by Congress. Escalating housing costs, the needs of severely disabled veterans for increased specially adapted housing grants, and the evolution of the mobile home industry made it clear that basic changes were needed to help veterans purchase the housing they need.

Passage of this legislation came just after the 34th anniversary of the veteras home loan program. Since June 22, 1944, more than 10 million veterans have borrowed over $115 billion under the program to buy, build. and improve their homes. Most of these veterans did not have sufficient funds to make the required down payments on their first homes. It permitted them to realize their dreams of homeownership.

I think it interesting, Mr. Speaker, that the credit record of veterans since the first VA home loan was granted has been excellent. Claims paid to lending institutions on these loans amount to only about 3.6 percent. That low figure is even more remarkable when it is considered that a large percentage of them were 100 percent loans.

The program was originally conceived as one method of fighting against the serious economic and social problems of readjustment faced by the millions of men and women being discharged at one time from the Armed Forces. It was proposed as an alternative to a cash bonus for two reasons: it would be less expensive to the Government and it would better serve the needs of veterans.

Credit was considered to be the key feature of the program. The Government would give the veteran the means to obtain favorable credit to shelter his family and start his own business if he had the other qualifications.

The maximum guaranty in that first bill was $2,000 and that has been gradually raised to meet market conditions until the bill just passed contains a $25,000 maximum guaranty. Other changes have been made over the years which revised the program from a readjustment benefit for those just getting out of service to a long-range housing benefit with no expiration date.

The veterans home loan program is a true American success story, Mr. Speaker. It has remained dynamic, changing with the changing times. It has helped veterans, and it has helped the homebuilding and lending industries. It has helped our Nation grow and prosper.

The bill just passed will take the program into the future where it can continue as a positive force for America and its defenders.●

PANAMA CANAL TRANSFER RESISTANCE CONTINUES

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. ROBINSON. Mr. Speaker, despite the signings, the ratification with reservations and the ceremonial exchange of documents, the giveaway of the Panama Canal is not being accepted by a great many citizens. I am confident that, in Virginia, indignant objection to this transaction remains the majority view.

Under leave to extend my remarks in the appendix, I include two editorials which appeared in the Daily Advance of Lynchburg, Va., on June 24, 1978.

Although I am mentioned in one of the editorials in connection with remarks of mine here on June 14, 1978, I want to emphasize that I drew heavily at that time on background material and logical argument presented to the other body by Senator JESSE HELMS of North Carolina.

I also include an article by M. Stanton Evans which appeared in Human Events on July 15, 1978.

The material follows:

[From the Lynchburg, Va. Daily Advance, June 24, 1978]

AS EXPECTED

Most of us opposing the giveaway of the Panama Canal figured the Panamanians wouldn't abide by any of the agreements they chose not to.

Now, it develops, according to Sen. Jesse Helms, R-N.C., Panama already has rejected the six critical reservations and understandings adopted by the Senate in order to push through that still incredible ratification.

The Panama foreign ministry takes the position the following have no legal standing:

The Nunn reservation to permit negotiations for the stationing of U.S. troops in Panama after the year 2000.

The hotly discussed DeConcini defense reservation.

The Hollings-Heinz-Bellmon reservation providing that the U.S. is not obligated to pay any balance under the contingency payment provision in the year 2000.

The Brooke reservation providing that the ratification documents be exchanged not earlier than March 31, 1979.

The Cannon reservation that the Panama Canal Commission reimburse the U.S. Treasury for interest on investments and amortization of assets.

The Danforth understanding that toll rates need not be set at levels to cover contingency payments.

Maybe, the administration will discover eventually the reality of this affair much in the manner it suddenly discovered inflation and the Russian-Cuban interference in Africa.

HOW TO CONTROL POLITICIANS

There is one difficult but simple way the people of this country can regain control of their government from the politicians and bureaucrats.

And that is just to flat out deny them the money they always need and take for the never-ending schemes that surface.

In essence, that is what Proposition 13 did in California. Specifically, it sliced property taxes, but the effect of that was to cut off the flow of dollars from that bottomless pit government seems to think exists.

In the same fundamental manner the Virginia Taxpayers Association is proposing a method to bring an abrupt halt to the giveaway of the Panama Canal by President Carter and the Senate.

The VTA is calling on members of the Senate and the House of Representatives to "refuse to appropriate any taxpayer funds whatsoever for implementing the fradulent, null and void treaties, which are gravely damaging to the United States economy and national security. American taxpayers under the treaties are held to be liable for all deficits from the operations of the canal for the next 20 years." The VTA sees "taxpayer outrage" over what the President and the Senate did.

The VTA is incensed further over President Carter's recent visit to Panama to exchange official documents, which the Virginia group says was in defiance of the Brooke Reservation prohibiting exchange of such ratification instruments earlier than March 31, 1979.

Some of the background for the VTA stand came from Rep. J. Kenneth Robinson, Republican from the 7th District.

The Virginia organization claims Panama already has repudiated the U.S. version of the treaties, a position with some substance as discussed in the following comment.

[From Human Events, July 15, 1978]

THERE IS NO PANAMA CANAL TREATY

(By M. Stanton Evans)

After all the fuss and feathers and acrimonious debate, there is no treaty on the Panama Canal.

Oh, there is a document all right—two documents, in fact—debated at length in the U.S. Senate and celebrated by President Carter and Panama dictator Torrijos in an exchange of pleasantries a couple of weeks ago. In that sense, there is a treaty. But in the sense that really matters, meaning an understanding that is mutually agreed to and mutually binding on the contracting parties, there is no treaty.

The point was made in a speech last month by Sen. Jesse Helms (R.-N.C.). He noted that the problem which had plagued the treaty negotiations from the beginning had persisted through the period of ratification: The documents were taken to mean one thing in Washington and quite another in Panama City. And since the point of a treaty is to define and govern the rights of the contracting parties, such chronic ambiguity undercuts the very purpose of the exercise.

The most recent, and most serious, manifestation of this problem concerns the reservations added to the treaties by the Senate. These provisos, revolving around such matters as the procedure for keeping American troops in Panama and the right of the United States to intervene to protect the canal, were essential to the passage of the treaties. If they had not been adopted, the Administration could not have mustered the votes required for ratification.

"Ironically," Helms observes, "the treaties could not have passed without the very Senate amendments which Panama now repudiates. Most of the Senate sponsors of these changes announced publicly that their support of the treaties was conditioned upon acceptance of the changes in question. Without the votes of the sponsors, there would have been five or six fewer votes for the treaties themselves. And, of course, it is a matter of record that each treaty passed with only one vote to spare."

Moreover, it was stressed in floor debate by such treaty supporters as Sam Nunn of Georgia, Edward Kennedy of Massachusetts and Paul Sarbanes of Maryland that only if Panama accepted the reservations tacked on by the Senate could the treaties go into force. Sarbanes, for instance, quoted one authority on international law who stated, "that any changes or amendments inserted by one party as a condition of ratification must be accepted by the other party if the treaty is to come into legal effect."

On this explicit basis, the Senate adopted a series of treaty reservations, the most famous being the language proposed by Sen. Dennis DeConcini (D.-Ariz.) reserving to the United States the right of acting "independently" to keep the canal open to international traffic.

Other reservations included Sen. Nunn's proviso for keeping troops in Panama after 1999, reservations by Sen. Howard Cannon (D.-Nev.), Ernest Hollings (D. S.C.), John Heinz (R.-Pa.) and Henry Bellmon (R.-Okla.) concerning finances, and the reservation by Sen. Edward Brooke (R.-Mass.) asserting that the articles of ratification could not be exchanged until implementing legislation passed the House of Representatives (already violated).

Now it develops, with no fanfare to speak of, that Panama has repudiated virtually all of these reservations, and in particular has repudiated our official interpretation of the Nunn and DeConcini reservations bearing on the right of military intervention. In an official state document published April 26, the Panamanian Foreign Ministry revealed its own interpretation of the treaty reservations, in every instance denying or strongly modifying the reading of these documents by our Senate.

The most ominous of these repudiations concerns the DeConcini reservation, which the Panamanians find to be without real meaning because of other language adopted by the Senate. Panama says the Church amendment affirming the principle of nonintervention negates the impact of DeConcini's motion: "With it, the DeConcini reservation has been rid of its imperialistic and interventionist claws, and the enforcement of the principle of nonintervention has been re-established. The specter of new interventions at the end of the 20th Century, which rightly caused concern to all Panamanians, has been eliminated."

In other words, we think we have a right of intervention to protect the canal, against any and all threats (including threats from Panama), and the Panamanians think we don't. Similar ambiguity afflicts the Nunn reservation, the amendments concerning finances, and so on. What we have here is not a treaty, but a standing invitation to further conflict. ●

WHAT EXACTLY IS THE PUBLIC TELLING US ABOUT TAXES?

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. MURTHA. Mr. Speaker, last month I took a polling sample of Pennsylvania's 12th Congressional District to test citizens' attitudes about taxes. The nearly 2,000 replies to the question were balanced among all parts of the district.

The questions and results looked like this.

Q.1. From your standpoint, please tell me if you feel local property taxes are too high, too low, or about right.

[In percent]

Too high	76
Too low	0
About right	21
Not sure	3

Q.2. Everyone would like to reduce taxes. If you could choose one of the following list of taxes to reduce first, which would you choose? In other words, which of these taxes would you most like to see the government reduce? (Check one.)

[In percent]

Property tax	43
Federal income tax	37
Social security	5
Sales tax	4
State income tax	2
Gasoline tax	2
Per capita tax	1
Undecided	6

NOTE.—Responses arranged by percentages; did not appear on questionnaire in this order.●

INFLATIONARY RECESSION DISCUSSED

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. MATHIS. Mr. Speaker, recently I asked Federal Reserve Board Chairman William Miller to comment on an article by Dr. Milton Friedman in which Dr. Friedman prescribed a cure for inflation. The article, entitled "Inflationary Recession" (Newsweek, April 24, 1978), said that the United States had experienced three periods of inflationary recession in 1967, 1969–70, and 1973–75, and that a fourth was on the way. Blaming the continuing cycles on Federal spending and wild swings in monetary growth by the Federal Reserve, Dr. Friedman summarized his solution to the problem as follows:

What is the right policy now? That is easy to say, hard to do. We need a long-term program dedicated to eliminating inflation. The Fed should announce that is proposes to increase M_2 at the annual rate of, say, 8 percent during 1978, 7 percent during 1979, 6 percent during 1980, 5 percent during 1981; and 4 percent during 1982 and all subsequent years. To relieve the fiscal pressures on the Fed, such a monetary policy should be accompanied by a budget policy of reducing Federal spending as a fraction of national income—also gradually but steadily.

Such a monetary and fiscal program would eliminate inflation by 1983—for good. Such a gradual program would avoid economic disruption. Indeed, the confidence it engendered might well foster a vigorous and healthy expansion in investment and economic activity—and even a stock-market boom.

The difficulty with this prescription is to make it credible. Promises are one thing. Performance, as have learned, is something else again. The program is technically feasible. But is it politically feasible not only to announce it but to stick to it? I doubt that it currently is. I hope I am wrong. But, just in case I am not, hold on to your hats as the inflation roller coaster goes on its not-so-merry way.

Chairman Miller responded saying "it is not practical to adopt in advance a specific program to reduce monetary growth rates by a set amount each year, as Dr. Friedman suggests". In a letter of rebuttle, Dr. Friedman said, "Unfortunately, Chairman Miller's comments on my proposal for an announced 5-year policy of monetary deceleration are strictly in the Federal Reserve tradition of blandly dismissing all criticism by undocumented assertion."

Mr. Speaker, Congress must ultimately make a decision on how to solve this serious economic problem, and I request that the dialog between Chairman Miller and Dr. Friedman be reprinted in the RECORD.

FEDERAL RESERVE SYSTEM,
Washington, D.C., May 9, 1978.

Hon. DAWSON MATHIS,
Chairman, Subcommittee on Oilseeds and Rice, Committee on Agriculture, House of Representatives, Washington, D.C.

DEAR CHAIRMAN MATHIS: This is in reply to your letter of April 21, 1978, in which you ask for my views on a monetary program proposed in a recent article, a copy of which you enclosed, by Dr. Milton Friedman.

In the last section of his article Dr. Friedman asserts that "We need a long-term program dedicated to eliminating inflation." I agree wholeheartedly. Monetary policy has a critical role to play in such a program, but it cannot alone bear the whole burden of combating inflation. For an anti-inflation program to be effective without undue risk of economic disruption, the co-operation of all important economic sectors must be obtained. This means, among other things, that fiscal policy must be prudent and that business and labor must show restraint in price and wage decisions.

With regard to monetary policy, the record indicates that the Federal Reserve considers a slowing of monetary growth rates, including M–2, to be a major objective of policy for the longer run. But the pace at which growth rates can responsibly be slowed depends in large part on the pace at which built-in inflationary forces are wrung out of the economy. Thus, it is not practical to adopt in advance a specific program to reduce monetary growth rates by a set amount each year, as Dr. Friedman suggests. Such a commitment would require faith that the program will not prove disruptive and would seem to suggest that any future information which indicates the need for a change in the program, no matter how clear the evidence, would be ignored. The dangers in such an approach might be suggested when it is realized that the 4 percent rate of growth in M–2 that Dr. Friedman sets as a goal for 1982 would be the lowest rate of growth in that aggregate since 1960, except for the "credit crunch" year of 1969.

In brief, the Federal Reserve is firmly determined to work toward growth rates in the monetary aggregates that are consistent with a noninflationary economy. However, with such a policy monetary growth rate objectives need to be continually assessed on the basis of incoming evidence about the performance of the economy and adjusted to changing economic circumstances.

Sincerely,

BILL.

HOOVER INSTITUTION,
Stanford, Calif., June 8, 1978.

Hon. DAWSON MATHIS,
Chairman, Subcommittee on Oilseeds and Rice, Committee on Agriculture, U.S. House of Representatives, Washington, D.C.

DEAR CHAIRMAN MATHIS: I appreciate your having sent to me a copy of Chairman G. William Miller's letter of May 9, 1978 commenting on the anti-inflation monetary program that I proposed in my Newsweek column of April 24, 1978.

I certainly agree with Chairman Miller that prudent fiscal policy—a point I also made in my column. But both would be most effective if a firm and credible commitment could be made by the Administration on the one hand, and the Federal Reserve on the other, to a long-term program to reduce federal spending as well as the rate of monetary growth. Unfortunately the rest of Chairman Miller's comments are purely defensive and not responsive to my suggestions for change in Federal Reserve policy.

As a student of Federal Reserve history, I have examined many of the documents coming from the System during its sixty-five year existence. In addition, I have myself had dealings with the Board of Governors—its chairman and members of its research staff—for over three decades. In all those documents, in all my personal experience, I have yet to find a single instance in which the Board was forthcoming to any outside criticism or suggestion. Its consistent reaction has been to write a strictly defensive brief explaining why its policies and procedures are the only possible and reasonable policies and procedures. I recognize that this is standard bureaucratic procedure. But hope springs eternal and I had hoped that a new chairman who as a businessman has had to face facts and correct error might introduce greater responsiveness.

Unfortunately, Chairman Miller's comments on my proposal for an announced five-year policy of monetary deceleration are strictly in the Federal Reserve tradition of blandly dismissing all criticism by undocumented assertion.

His only answer is that the Fed knows best, that it must be free to adjust its mouth-to-mouth policy "to changing economic circumstances." But this discretionary policy is precisely the policy that the Fed has followed for sixty-five years—every chairman has said that the Fed must not be bound by rules or commitments, that it must be free to "lean against the wind," and similar standard clichés. The evidence is clear that this policy has been highly defective. I need not repeat the litany of failure documented fully in Anna Schwartz's and my *Monetary History of the United States, 1867–1960,* nor remind you of the Federal Reserve's contribution to both inflation and recession in the period since that covered in our book—including the credit cruch of 1969 that Chairman Miller refers to as well as that of 1966. The one feature of Federal Reserve discretionary policy that has been consistent throughout its sixty-five years has been its tendency to swing from one extreme to the other thereby destabilizing rather than stabilizing the economy.

On this record, the case is enormously strong for precisely the kind of firm precommitted policy I propose in my column. Surely that would give the community a far firmer basis for making its plans than the present frantic waiting each Thursday afternoon for the latest monetary numbers in the vain hope of being able to divine the next mercurial shift in Federal Reserve policy. A firm committed policy would provide an effective gradual transition to a lower rate of inflation without serious disruption. By contrast, I predict that continuation of the present Federal Reserve discretionary policy will continue to make the Fed an engine of both inflation and recession.

Mr. Miller refers to the Federal Reserve's determination "to work toward growth rates in the monetary aggregates that are consistent with a noninflationary economy." I applaud that determination—but we have heard it expressed repeatedly during the whole eight years of Chairman Burns's

tenure, yet the determination has not been accompanied by performance. On the contrary, the *actual* behavior of the monetary aggregates has fostered inflation. Just in the past two years, the target rates have been reduced, while actual rates of monetary growth have risen. Perhaps under the new chairman, the determination will be made effective—but surely the past record gives little basis for confidence that it will be.

It is not irrelevant that the Fed has been announcing monetary targets for a year ahead only because the Congress has required it to. The Fed opposed that measure and prior to Congressional Resolution 133, to the best of my knowledge, it had never in over six decades set itself, let alone made public, a target for as much as a year ahead.

I summarized the case for replacing the fine-tuning policies of the Fed with a monetory rule in a *Newsweek* column of February 7, 1972, of which I enclose a copy. Had such a rule been adopted and adhered to then, the country would have been spared most of the inflation of 1973–74, most of the recession of 1974–75, and the recent acceleration of inflation. We would be experiencing zero to 3 percent inflation now instead of 6 to 9 percent inflation heading toward double digits.

Sincerely yours,

MILTON FRIEDMAN,
Paul Snowden Russell, Distinguished Service Professor of Economics, University of Chicago and Senior Research Fellow, Hoover Institution●

THE ROAD TO PROSPERITY—PART XII—DEAD HEAT ON A MERRY-GO-ROUND

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. STEIGER. Mr. Speaker, during the recent Byrd subcommittee hearings on the Investment Incentive Act, Martin Feldstein of Harvard University and the National Bureau of Economic Research presented testimony summarizing two recent studies he has undertaken on the taxation of capital gains. The first study evaluated the harsh effect of inflation on the taxation of capital gains. The second study analyzed the relation between the tax rate on capital gains and the selling of stock.

The Treasury Department has made only two extensive analyses of capital gains taxation over the last two decades. One study was done in 1962, the other in 1973. Dr. Feldstein relied on the 1973 data for his study. Even though this was a bad year for the stock market—and thus distorts the percent of capital gains represented by stock transactions—it is the only data we have.

Capital gains tax applies to a sold asset regardless of how long it was held—as long as it was at least 1 year. Consequently, the inflation factor is quite severe for assets which have been held a long time. Even though there may be a large nominal gain, the real capital gain can be negligible because of inflation. The Feldstein study found that, in 1973, individuals paid capital gains tax on $4.6 billion of nominal capital gains on corporate stock. When adjusted for inflation, this nominal gain was a real loss of nearly $1 billion. Yet, the individuals had to pay tax. This is one of the problems which arises when capital is treated as income.

The second study was actually two ministudies using different data. Both studies indicated that capital gains tax rates have a very substantial effect on individuals' decisions to sell corporate stock. It was determined that two-thirds of the proceeds from the sale of stock were reinvested immediately. More was reinvested later, and less than one-third was used for current consumption. This reinforces the concept that capital gains is an important part of our capital stock.

The study also determined that a 25-percent maximum tax rate in 1973 would have encouraged nearly double the amount of stock sales, from $29.2 billion to $49.5 billion. The total value of net gains realized would have been threefold over the actual amount. The lower tax, in other words, would have meant greater tax revenue. It should be stressed that the increase in revenue does not depend on increased investment or economic activity. All it depends on is a lower tax.

The Washington Post ran another of its editorials against the Steiger amendment. The argument is that only those who sell a principal residence deserve capital gains tax relief and that inflation is not a problem. I would suggest the writer of the editorial read the Feldstein studies, and other material which I will be placing in the RECORD. The Feldstein testimony and Post editorial are attached.

THE TAXATION OF CAPITAL GAINS

(Martin Feldstein) [1]

I am very pleased to be here this morning. During the past three years, I have been doing research on the taxation of capital gains on corporate stock. I think the findings of that research bear directly on the proposals that you are currently considering.

This morning I will summarize briefly the results of two studies. The first describes the way that inflation affects the taxation of capital gains. The second deals with the impact of the capital gains tax rate on the selling or corporate stock and the realization of capital gains. I am submitting copies for the record of two papers that provide more complete reports of these studies.[2]

INFLATION AND THE TAXATION OF CAPITAL GAINS

Inflation distorts all aspects of the taxation of personal income but is particularly harsh on the taxation of capital gains. As you know, when corporate stock or any other asset is sold, current law requires that a capital gains tax be paid on the entire difference between the selling price and the original cost even though much of the nominal gain only offsets a general rise in the prices of consumer goods and services. Taxing nominal gains in this way very substantially increases the effective tax rate on real price-adjusted gains. Indeed, many individuals pay a substantial capital gains tax even though, when adjustment is made for the change in the price level, they actually receive less from their sale than they had originally paid.

In a recent study at the National Bureau of Economic Research, we measured the total excess taxation of corporate stock capital gains caused by inflation and the extent to which this distortion differs capriciously among individuals. For this study we used the Treasury Department's sample of individual tax returns for 1973. Our sample consisted of over 30,000 individuals and more than 230,000 stock sales in 1973. Although the individuals are not identified, the sampling rates are known; the sample can therefore be used to construct accurate estimates of totals for all taxpayers.

We found that in 1973 individuals paid capital gains tax on $4.6 billion of nominal capital gains on corporate stock. When the costs of these shares are adjusted for the increase in the consumer price level since they were purchased, this gain becomes a loss of nearly $1 billion.

The $4.6 billion of nominal capital gains resulted in a tax liability of $1.1 billion. The tax liability on the real capital gains would have been only $661 million. Inflation thus raised tax liabilities by nearly $500 million, approximately doubling the overall effective tax rate on corporate stock capital gains.

Although adjusting for the price change reduces the gain at every income level, the effect of the price level correction is far from uniform. In particular, the mismeasurement of capital gains is most severe for taxpayers with incomes under $100,000. Exhibit I compares the nominal and real capital gains and the corresponding tax liabilities for each income class. The first row presents the net capital gains as defined by the current law. Row 2 represents the corresponding real net capital gains. In the highest income class, there is little difference between nominal and real capital gains; in contrast, taxpayers with incomes below $100,000 suffered real capital losses even though they were taxed on positive nominal gains.

The tax liabilities corresponding to these two measures are compared in rows 3 and 4. In each income class up to $50,000, recognizing real capital gains makes the tax liability negative. At higher income levels, tax liabilities are reduced but remain positive on average; the extent of the current excess tax decreases with income.

Inflation not only raises the effective tax rate, but also makes the taxation of capital gains arbitrary and capricious. Individuals who face the same statutory rates have their real capital gains taxed at very different tax rates because of differences in holding periods. For example, among taxpayers with adjusted gross incomes of $20,000 to $50,000, we found that only half of the tax liability on capital gains was incurred by taxpayers whose liabilities on real gains would have been between 80 and 100 percent of their actual liabilities. The remaining half of tax liabilities were incurred by individuals whose liabilities on real gains would have been less than 80 percent of their actual statutory liabilities.

In short, our study showed that inflation has substantially increased—roughly doubled—the overall effective tax rate on corporate stock capital gains. Although this estimate relates to 1973 (because that is the only year for which data of this type is available), the continuing high rate of inflation means that the tax distortion for more recent years is likely to be even greater.

CAPITAL GAINS TAX RATES AND THE SELLING OF CORPORATE STOCK

Although there has long been speculation about the extent to which high tax rates on capital gains deter individuals from selling

[1] President, National Bureau of Economic Research, and Professor of Economics, Harvard University. The viewpoints expressed here are my own and not necessarily those of either the NBER or Harvard.

[2] M. Felstein and J. Slemrod, "Inflation and the Excess Taxation of Capital Gains", National Bureau of Economic Research (to be published in the National Tax Journal, June 1978) and M. Feldstein and S. Yitzhaki, "The Effects of the Capital Gains Tax on the Selling and Switching of Common Stock", Journal of Public Economics, 1978.

stock, there has been little hard evidence on the subject. In collaboration with two colleagues, I recently completed what I believe are the first econometric estimates of the effect of capital gains tax rates on the selling of corporate stock and the realization of capital gains.

We actually carried out two studies using two quite different bodies of data. Both studies indicate that capital gains tax rates have a very substantial effect on individuals' decisions to sell corporate stock.

The first study analyzed the experience of a random sample of high income investors whose portfolio behavior was recorded in a special survey carried out by the Federal Research Board in 1963. An important finding in an analysis of that data was that two-thirds of the value of the proceeds of corporate stock sales were reinvested in corporate stock and other financial assets within 1963. Since some of the remaining one-third of the proceeds were held in cash and reinvested in the following year, the data indicate that less than one third of the proceeds of corporate stock sales were used to finance current consumption.

The evidence in that study showed that the amount that individuals sell is quite sensitive to their tax rate. For example, on the basis of our statistical estimates of the tax rate sensitivity of individual selling, we calculated the effect of removing the 25 percent ceiling that was in effect in 1963 and taxing individuals at one-half of their ordinary income rates. We found that this change would have reduced the value of corporate stock sales by 23 percent.

Our second study used the same 1973 Treasury sample that I referred to a few moments ago in discussing the the effects of inflation.[3] This analysis again found that individuals' selling of corporate stock is very sensitive to their tax rates. We used this estimated behavior to calculate the effects of changes in the 1973 law. We found that limiting the rate of tax on long-term gains to 25 percent would have nearly doubled corporate stock sales, from $29.2 billion to $49.5 billion.

The Treasury data also permitted us to evaluate the impact of differences in tax rates on the amount of capital gains that individuals realize. We found that the realization of gains is even more sensitive than the selling of stock. Using the statistically estimated tax sensitivity, we calculated that limiting the capital gains rate to 25 percent would have caused an almost three-fold increase in the total value of net gains realized in 1973. Because of this great increase in the realization of gains, the reduction in tax rates would have substantially increased capitals gains tax revenues. Our calculation indicates that the tax revenues on corporate stock capital gains would have more than doubled if the tax rate had been limited to 25 percent.

Let me emphasize that this estimate of extra revenue does not depend on any assumed increase in share prices, in investment or in economic activity. The extra revenue results directly and immediately from the "unlocking" of gains that would not otherwise be realized. A favorable impact on share prices and total economic activity would, of course, increase revenue further. But even without such stimulating effects, the evidence indicates that reducing the tax rate or corporate stock capital gains would increase both total tax revenue an the taxes paid by high income individuals.

That concludes my summary of the studies of capital gains taxation. I hope that you find that these facts are useful to you as you consider proposals to reduce the taxation of capital gains.

[3] This study is reported in M. Feldstein, J. Slemrod and S. Yitzhaki, "The Effects of Taxation on the Selling of Corporation Stock and the Realization of Capital Gains," National Bureau of Economic Research, 1978.

EXHIBIT 1

CAPITAL GAINS AND ASSOCIATED TAX LIABILITIES

[In millions of dollars]

	Adjusted gross income class								
	Less than zero	Zero to $10,000	$10,000 to $20,000	$20,000 to $50,000	$50,000 to $100,000	$100,000 to $200,000	$200,000 to $500,000	More than $500,000	All
1. Nominal capital gains	86	77	21	369	719	942	1,135	1,280	4,629
2. Real capital gains	−15	−726	−895	−1,420	−255	437	839	1,125	−910
3. Tax on nominal capital gains	1	−5	23	80	159	215	291	374	1,138
4. Tax on real capital gains	0	−25	−34	−52	58	141	235	337	661

[From the Washington Post]

THE STEIGER AMENDMENT

The Steiger amendment evokes strong feelings. The amendment, you will recall, would cut capital-gains taxes, mainly for people with large incomes. We observed the other day that it is an offense to public morality. Since then we have heard from a good many of our readers; a sample of their letters appears on this page today. While you would not quite call it an avalanche of denunciation, it is a spirited reply. Rising to the bait, we shall now offer a few more thoughts on capital gains and taxes.

The hypothetical middle-income couple in our example had bought their house years ago for $35,000 and recently sold it for $135,000, for a capital gain of $100,000 and a tax on that gain of $17,490. A number of readers observe that if the original purchase was in 1955 almost exactly half of that capital gain is pure inflation The purchasing power of $35,000 in 1955 is the same as $84,000 today. Those letters bitterly ask whether it is fair to assess taxes on appreciation and is merely the result of inflation rather than a rise in real value.

That's a serious and important question of equity. But wait a minute. If we want to be absolutely fair—and who in this litigious country will settle for anything less?—we have to note that our hypothetical couple didn't pay cash for their house. Like most of us they bought it with a 20-year 5-percent mortgage. The inflation adjustment has to be made not for the date when they bought the house but the dates when they actually paid the money—that is the dates of the 240 monthly payments. We also have to note that our hypothetical couple has taken tax deductions all those years for their mortgage-interest payments. They deducted at the nominal rate—which is 5 percent. The real rate is the nominal rate minus inflation. For most of the years since 1968 the real rate on a 5-percent mortgage has actually been negative—that is the bank was paying our couple for having borrowed its money. If Congress is going to let them adjust their capital gains for inflation won't consistency compel it to require them also to adjust all of those past mortgage payments and deductions for the same inflation?

If it did, they would need a computer to figure out their tax return. No sane person would seriously support the idea. But the point is that you can't stop with just one figure. If the tax code is to take account of inflation, it leads to a brain-busting series of adjustments to adjustments to adjustments.

The Steiger amendment would do only one thing for the couple in our example, and it has nothing to do with inflation. It would exempt sales of homes from a rule called the minimum tax, saving our couple about $4,000 of their $17,490 capital-gains tax. That's a reasonable thing to do. Last January, in fact, President Carter proposed doing precisely that.

But the Steiger amendment goes much further. It would abolish the minimum tax altogether, and lower the rates of capital-gains taxes for everybody in the highest brackets. The amendment's author, Rep. William A. Steiger (R-Wis.), says that he wants to encourage productive investment in industry—a laudable purpose. It's possible to write tax legislation that woud encourage that kind of investment specifically. But his amendment would give the same breaks to everyone making money trading in land, paintings, antiques and gold. That's not productive investment, and there's no reason whatever to encourage it with expensive new tax benefits.

A final note on homeowners: Most people buying houses on mortgages, in the current inflation, are doing well out of it. The victims are the thrifty souls who financed the mortgages by putting their money into savings accounts. Inflation is cruelly unfair. It enriches borrowers. The people who get sheared are the savers and lenders.●

PROPOSITION 13 AS VIEWED FROM PENNSYLVANIA

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. EILBERG. Mr. Speaker, the recent passage of proposition 13 in the State of California has caused many of us here in Congress and our fellow legislators in State capitols to focus new attention on the need for tax reform.

I believe that before any of us rush headlong to embrace action similar to that taken by California voters, the people and legislators of every State should assess their own needs, and should compare their own situation to that of California's.

A comparison between Pennsylvania and California, for instance, shows that

Pennsylvania has been light years ahead of the Golden Gate State in keeping property taxes down, and in not permitting surpluses to develop in our budget without returning revenue in the form of tax cuts.

Essentially, many people in California believed that State government refused to control spending and taxation, and so the people took matters into their own hands. This simply has not been the case in Pennsylvania.

Specifically, when proposition 13 was passed in California, that State had accumulated a surplus as large as Pennsylvania's entire general fund budget. On the other hand, when Pennsylvania was faced with a $400 million surplus in 1974, our Government returned those funds to the people in the form of reduced State income and corporate net income taxes.

Property taxes are the local form of support for school districts and municipalities. They are generally considered to be too inflexible, and therefore the most burdensome of all forms of taxation. Pennsylvania has reduced property taxes for senior citizens through a rebate program, and a number of legislative proposals have been considered that would shift from a reliance on the property tax to a more equitable income tax.

Nevertheless, the question remains: Are property taxes too high in Pennsylvania as they obviously were in California?

Recent data indicate that property taxes in Pennsylvania are quite low compared with other States. In comparing property taxes per $1,000 of income, our citizens pay $30 compared to a national average of $45. We are 36th in the Nation. Californians pay $64 per $1,000 of income. They are sixth in the Nation.

Looking at it another way, a comparison of property taxes paid per person shows our rate at $176. We also rank 36th in the Nation by this measure. Californians pay $415 per person. They are fourth in the Nation.

Other comparisons between our two States show:

In 1975–76, California had the third highest tax burden in the country with $964 per capita in State and local taxes. Pennsylvania's burden was $684 per capita, ranking us 24th among the States.

California spending by State and local governments was sixth in the Nation compared to Pennsylvania's ranking of 28th.

California has a graduated income tax which was substantially increased and eventually led to the $5.3 billion general fund surplus. Pennsylvania's flat income tax is at a lower level now than it was in 1971.

California's surplus will take up the slack for the cutback in property taxes for probably the next year. After that, the State may experience an enormous reduction in services.

Pennsylvania has no surplus to cover a reduction in property taxes that already compare favorably with other large States. These are the facts and should be considered accordingly in any comparison with the situation in California.

ANNIVERSARY OF THE DEATH OF GENERAL MIHAILOVICH

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. DERWINSKI. Mr. Speaker, yesterday, July 17, marked the anniversary of the execution by the Yugoslav Communists of Gen. Draza Mihailovich, leader of the nationalist resistance forces in Yugoslavia during World War II.

On this occasion, I think it appropriate to remind the House:

That General Mihailovich rescued over 500 American airmen during the course of 1944 and arranged for their safe evacuation by air to Italy;

That for this and other services to the Allied caunse Mihailovich was posthumously awarded the Legion of Merit in the Degree of Supreme Commander by President Truman:

That the National Committee of American Airmen Rescued by General Mihailovich 3 years ago petitioned Congress for permission to erect a memorial to Mihailovich as an enduring expression of their gratitude to the man who saved their lives;

That this monument is to be erected with publicly subscribed funds, that is, at no expense to the Government;

That this project has been strongly endorsed by the American Legion at its last annual convention;

That authorizing legislation has twice been passed by the Senate, without dissenting vote;

And that parallel legislation, sponsored by almost 50 Members of the House, has been pending in the Subcommittee on Libraries and Monuments since January of last year.

It is my earnest hope that the subcommittee will move expeditiously to report this legislation out so that the House will have an opportunity to vote on it before the close of the session.

I would like to say a few more words of tribute to Mihailovich.

The Communist Government of Yugoslavia executed General Mihailovich as a traitor. But it was Mihailovich who raised the banner of continuing resistance to the Nazis at a time when the Communists were still collaborating with them. Mihailovich's early resistance may very well have been instrumental in saving Moscow by slowing down the Nazi advance—indeed, at the time of his execution, the New York Times suggested a statue in Red Square dedicated to Mihailovich, savior of Moscow.

Hitler himself offered 100,000 gold marks for Mihailovich, dead or alive. Many thousands of Mihailovich supporters paid with their lives for their commitment to freedom.

I ask unanimous consent to insert into the RECORD at the concluson of my remarks the text of an article entitled "The Mihailovich Tragedy," written by the famed Yugoslav dissident, Mihajlo Mihajlov, who is now in the United States. This article appeared in the respected American weekly, The New Leader, on February 3, 1975. Almost immediately thereafter Mihajlov was sentenced to 7 years at hard labor. I call attention to the fact that Mihajlov in this article states that, after examining he entire record of the Mihailovich trial, he concluded that "Mihailovich was guilty of only one crime: fighting the Communists."

[From the New Leader, Feb. 3, 1975]

DISENTANGLING HISTORY: THE MIHAJLOVICH TRAGEDY

(By Mihajlo Mihajlov)

NOVI SAD—Last October 23, Djuro Djurovich, 74 years old and ailing, was sentenced to five years in prison by a Belgrade court on charges of writing hostile articles for foreign publications. Djurovich had his first brush with Yugoslav law in 1945, while secretary of the National Committee formed by General Draja Mihajlovich—chief rival to Marshal Josip Broz Tito during World War II. Having subsequently served 17 years of a 20-year sentence, he recently wrote a book about his incarceration and sent part of the manuscript to friends in Paris. Although none of it has been published so far, he was convicted under Article 109 of the Criminal Code, covering actions that "aim at overthrowing the existing order."

The Djurovich trial has again focused public attention here on one of the most painful questions facing the Yugoslav Communists: their attitude toward the Mihajlovich movement. The General was shot in 1946, yet articles, books and films designed to show that he was essentially not an adversary of the Nazi conquerors have continued to appear every year. His opponents contend that from the very begining he was a German collaborator, but this claim is substantiated mainly by the fact that he also fought against the Communists.

Ironically, the more the official propaganda tries to villify Mihajlovich, the more it provokes reservations among unprejudiced observers. A mere comparison of the present complete myth with the history of the Yugoslav internal struggle, as described by the very same Communist press immediately after the War, casts doubt upon everthing the regime is attempting to prove. In addition, many secret documents from the British, American and German government archives now available in the West have shed new light on the relations of both the Allies and the Axis to the competing Tito and Mihajlovich movements. A pattern has emerged, in fact, that explains why Tito won, though some important causes of Mihajlovich's defeat remain hidden.

To comprehend the full complexity of the bitter contest between the two men, waged during the Fascist occupation, one must go back briefly to the formation of the Kingdom of Yugoslavia. It was created in 1918 by a merger of the Kingdom of Serbia, the Kingdom of Montenegro ——— and Croatia and Slovenia, previously parts of Austro-Hungary. The new state of Southern Slavs was burdened with many national, social and political problems from the outset. The most serious was the antagonism between the two biggest nationalities, the Eastern Orthodox Serbs and the Catholic Croats, who speak the same language yet have a different historical past and different social mores.

It would have been difficult to resolve the existing social-political contradictions even in a state with well-established democratic traditions, let alone under the semi-authoritarian regime of the Karadjordjevich

Serbian royal dynasty. But the fatal mistake of the rulers was their unwise attitude toward the Communists—and it must be admitted, regretfully, that the Russian emigrés in the country played no small part in the development of that attitude.

The Communist movement in Yugoslavia, as well as in the rest of Europe, experienced a great upsurge right after World War I. Had it been left alone to exist in a framework of democratic laws, it would never have become the iron-disciplined organization it became the moment the party was outlawed and Communist activity was persecuted in many ways, including long prison terms that only encouraged Communist fanaticism and underground activity.

Many of the Russian emigrés in Yugoslavia, who were fully accepted by the government and people, repaid the kindness by raising the level of theater, opera and ballet in the country, and by helping considerably to advance the teaching of science in the universities. At the same time, there were extreme Rightist elements among the emigrés who had a harmful influence on the policies of the Yugoslav Kingdom toward the Communists. (After the Axis overran Yugoslavia, those authoritarian Russian emigrés formed a voluntary military movement of 10,000 men to fight the Bolsheviks on the Eastern Front. Instead, they were used by the German High Command in German uniforms to fight as a so-called "Russian Guard Corps" throughout World War II against Tito's Partisans, and they lost three-quarters of their number in battle.)

In short, because the King lacked wide popular support, the two-week-long campaign of Hitler and Mussolini against Yugoslavia in April 1941 ended with the shameful capitulation of the Yugoslav Army, the flight of the government to the West, and the total partition of the country by German, Italian, Hungarian, Bulgarian, and Albanian occupiers. Two puppet states were set up: a formally independent Croatia, where power was seized by the Croatian fascists, the "Ustashis," and Serbia, which was occupied by the Germany Army and found itself in the same position as Pétain's France. The Communist party took a detached stand and thanks to the alliance then in force between Hitler and Stalin, it embraced the slogan, "We should not participate in an imperialist war."

It was in these circumstances that Draja Mihajlovich, a colonel of the Army's General Staff and a professor at the Higher Military Academy, decided not to be taken as a prisoner of war by the Germans and with a group of his officers took off for the mountains to organize a resistance. Within only a few months the lines were drawn between his forces and the Germans and Ustashis. Except for England, from April–July 1941 Hitler was resisted only by Mihajlovich, who was properly named the first rebel of Europe.

Then, after Hitler attacked the Soviet Union, the Communist party of Yugoslavia quickly changed its line and started to organize a resistance too. By the fall of 1941 both Mihajlovich's and Tito's detachments were fighting the German occupiers. The leaders of the two movements met personally three times from September to November to negotiate a possible unification of their military units, but they did not arrive at any agreement and soon started an internecine war.

Since the Croatian national movement had tied its destiny to the German Reich, it was clear that the struggle for power in the country following the expected defeat of Germany would be between Tito and Mihajlovich. Moreover, Ustashi atrocities served to replenish the bloodied ranks of the two men, with most of the Serbs joining Mihajlovich and the Croatian anti-Fascists joining Tito.

The German and Italian occupiers tried to interfere as little as possible, knowing that the internecine struggle would totally paralyze the anti-Hitler movements and hoping that an opportune moment they would thus succeed in crushing both leaders. Documents available now, though, prove that Hitler regarded Mihajlovich as the more dangerous enemy than Tito, because it was Mihajlovich whom the majority of the Serbian people supported during almost all of the War and they made up approximately 50 per cent of this multinational country.

Mihajlovich (who was promoted to the rank of general and named minister of war by the departing royal government) received full Allied support during the first years of the War, and the British BBC was a mouthpiece of his movement. For its part, the Soviet Union opened Radio Free Yugoslavia in Tbilisi to serve as the mouthpiece for Tito. At the end of 1943 the Communists formed a new Yugoslav government, the Anti-Fascist Assembly, and three months later the Mihajlovich movement created its National Committee. The Committee was supported by leaders from almost all of prewar Yugoslavia's political parties, including the Socialist and Democratic parties. Djuro Djurovich, a long-time correspondent for the Yugoslav press from London and Paris (where he earned his PhD), a lawyer by training and a prominent Democratic party politician by profession, was elected secretary.

In the interval between the creation of the Communist Assembly and the Committee, however, an event occurred that decided the future direction of Yugoslavia—an event whose underlying causes still have not been fully uncovered because the explanation for it given by all involved could merely have been the immediate reason for what happened. In any case, in December 1943 Prime Minister Winston Churchill of Great Britain sharply altered his policies toward the Yugoslav insurgents and, under the pretext that Tito's Partisans were doing more damage to the Germans than Mihajlovich's forces, shifted the full weight of his support to Tito.

That step could not have been a concession to Stalin, for the Teheran conference was then under way and Churchill's decision provoked Stalin's strongest suspicions. He even proposed that Churchill and President Franklin D. Roosevelt continuing helping both movements, evidently having little hope that Tito would ultimately prevail. Churchill not only persisted in his plan, but he resolutely prevented the Americans from continuing to send aid to Mihajlovich (the Balkans comprised England's political zone of interest), although American communications officers remained in Mihajlovich's headquarters until the end of 1944.

This basically sealed the fate of the Yugoslav civil war. Mihajlovich stopped receiving any help from the Allies, while the aid for Tito's Partisans—arms, uniforms, strong air support, medical supplies, transportation of the wounded by military ships to Italy, and so on—grew from day to day. BBC broadcasts ceased mentioning Mihajlovich and sometimes even attributed his military success during the last battle with the Germans to the Partisans. In the middle of 1944, as the result of strong pressure from Churchill, the King's government-in-exile in London signed a pact with Tito and dissociated itself from Mihajlovich. Nevertheless, until the arrival of the Red Army under Marshal Fyodor Ivanovich Tolbukhin, Mihajlovich's forces in eastern Yugoslavia far exceeded the Communist forces.

At the beginning of 1945, threatened by Tito's detachments and the Red Army, part of Mihajlovich's movement followed the retreating German armies into Italy. The General himself declined the Allies' offer to evacuate him and his entire general staff to Malta, and with 10,000 men decided to continue the struggle in the mountains of Yugoslavia. In the near future, he felt, the Communists' forcible collectivization would surely arouse sharp resistance from the peasantry (which did indeed occur, but three years later after Tito's 1948 clash with Stalin).

In March 1946 the Communist secret police succeeded in trapping Mihajlovich. Four months later he was shot, marking the end of the Yugoslav civil war.

One can only guess at Churchill's motives. Undoubtedly, the fact that Tito was inflicting greater damage on the Germans than Mihajlovich played a significant role. In their struggle for power the Partisans did not spare either themselves or others, and they never paid the least attention to the outrages committed by the Germans in return—the shooting of 100 hostages for each German soldier lost, and the burning of entire villages. On the contrary, this seemed to gladden the Communists, for it reinforced the flight of the population to the ranks of the insurgents. Mihajlovich's detachments acted more cautiously in this respect, refusing to purposely incite German reprisals against the peaceful population. They recognized that until the Allies arrived, an open, aggressive war with the German occupying armies could not bring anything but enormous casualties.

Still, at the time that Churchill shifted his full support to Tito few people doubted the Nazis' defeat, and Churchill had to realize that his policy change would do more to bring about the Communists' victory in Yugoslavia than to harm the Germans. In all probability, the British Prime Minister decided that no matter who the Allies helped, Tito would win the civil war, and therefore it was necessary to establish the best relations possible beforehand.

To be sure, the Mihajlovich movement suffered from the weaknesses characteristic of all anti-Communist movements, without exception, throughout history. To begin with, it lacked a positive philosophy for building a new society and failed to understand that the Communist *idea* cannot be fought by force of arms alone. Furthermore, the patriotic notion of a "united and indivisible" Yugoslavia and the worshipping of traditional national-Serbian Orthodox values clearly provided an inadequate ideological platform for a multinational country. The absence of a political organization and the impossibility of disciplining the whole movement exclusively by military means under conditions of guerrilla warfare and inadequate communications was another weakness.

The last led some commanders in different parts of the country to become virtual local autocrats, who often compromised the whole movement by slaughtering Communist sympathizers and Muslims. And General Mihajlovich himself, despite his great personal valor, was better suited for the role of a "patriarch" (as his entourage jokingly referred to him) than a stern insurgent leader. Nevertheless, Mihajlovich was brought down not only by his shortcomings, but *to an equal degree* by the attitude of the democracies toward one of the two most pro-Western, anti-Hitler resistance movements (the other being the Polish national movement of Generals Anders and Bor-Komarovsky).

Once, after he had already left office, Churchill said his stake on Tito was his biggest mistake during the War. Yet it is hard to believe the sincerity of that statement because of the existing proof that he very well knew what a Partisan victory would lead to. By no means did he believe Tito's constant, solemn promises not to introduce one-party dictatorship in Yugoslavia, although he was forever convincing the British Parliament of their sincerity.

Brigadier Fitzroy McLean, who represented the British Army at Tito's headquarters, de-

scribes in his memoirs an extremely interesting conversation between himself and Churchill following the Prime Minister's decision to stop supporting Mihajlovich. In briefing Churchill, McLean expressed his conviction that a Partisan victory would bring a Communist system to Yugoslavia no different from the Soviet one. Churchill looked at him coldly and asked:

" 'McLean, do you intend to live in Yugoslavia after the War?'

" 'No sir.'

" 'Neither do I'."

In the summer of 1946 in Belgrade, three months after a cagey secret police maneuver has resulted in Mihajlovich's capture, a Moscow-style demonstration trial was hastily arranged. The role of the general prosecutor was played by the present foreign minister, Milosh Minish. General Mihajlovich behaved in a way that made one wonder about what he had been subjected to in prison: He answered questions irrelevantly, did not understand many of them, and once even fell asleep during the court examination.

The court did not want to hear out the witnesses presented by two brave defense counsels (who later paid for their bravery), and the special hand-picked audience was raging. Yet, even after reading the official and obviously doctored stenographic record of the trial—in which there was no place for the remarks and full speeches of the defense, or the defendant's statement—it becomes perfectly clear that Mihajlovich was guilty of only one crime: fighting the Communists.

Everything else, like the charges of collaboration and of intensifying the fratricidal war, was either untenable and pure fiction, or could just as well have been brought against the Communists. But, of course, what we have here is a double standard: When the Partisans conducted negotiations with the Germans and Italians that was a military ruse, and when Mihajlovich did the same thing it was collaboration; when the Partisans attacked the General's detachments that was war with quislings, and when the General attacked the Partisans that was intensifying the fratricidal war.

The most curious charge against the General was that he had negotiated with the Germans in the fall of 1944. As was widely known, those negotiations were carried on in the presence of the United States representative, Colonel McDowell, and the German High Command in Yugoslavia offered to surrender to the Western Allies represented by Mihajlovich. The British and Americans declined this one-sided offer, unsuccessfully demanding a full German surrender to Tito and the Red Army, too. Apparently the court wanted to show that the Western Allies were making agreements with the Germans behind the back of the Soviet Union.

The General was shot. The same fate was shared by thousands of active fighters in his movement, and tens of thousands of others were subjected to severe persecutions that threaten his sympathizers to this day. It cannot be said that Western public opinion was very indignant over these events; it was the first year, the "honeymoon year," after the War. Most of the protests came from hundreds of American fliers who had been shot down above Yugoslavia and saved by Mihajlovich's forces. Many of them recalled the farewell speech the General gave to a group of 250 Americans who were returning home in the summer of 1944:

"Your leaders will soon realize what a grave mistake they have made. The Germans are already on their deathbed, and after they are defeated, Stalin and his servants won't need you any longer. You have armed them and strengthened them for your own misfortune, because they will turn all their strength against you. One cannot be under any delusion: Communism and democracy cannot coexist. The day has not yet arrived when a lamb can sleep safely near a wolf . . . both Stalin and Tito are going to be against you. I will no longer be able to see with my own eyes how right I was . . . but it is your destiny to comprehend how blind you have been. When you realize all this, it might be too late."

The honeymoon year went quickly and governments in the West, albeit somewhat belatedly, began to remember the General. In 1948 President Harry S Truman posthumously awarded Mihajlovich an honored American decoration for "high merit in the Allied struggle for victory over the enemy." General de Gaulle also spoke well of him in his memoirs.

The young generations in Yugoslavia, naturally, know very little about the true history of the civil war. And it is possible to sustain the sugary myth—Partisans fought heroically against the tremendous number of German divisions and numerous quislings, among whom the bearded followers of General Mihajlovich figured prominently (in accordance with national tradition, many of the men vowed not to shave until the country was free)—only under a complete ban on all unofficial statements. A reintroduction of freedom of the press would undoubtedly lead immediately to reevaluating the civil war and particularly Mihajlovich's role.

All doubt about this was removed three years ago, during the peak of the so-called "liberalism" here, when Yugoslavia's best weekly, *Nin*, published a strange article in connection with the 30th anniversary of the armed uprising, entitled, "Forgive us, history!" Notwithstanding the official story that the entire anti-German revolt began after an appeal in July 1941, the article said, big and bloody battles were already being fought in June against the Ustashis and the Italian Army in Herzegovina, involving artillery, planes and large Army formations. But this was somehow "overlooked," the article continued, because the leaders of this initial, spontaneous uprising later became outstanding commanders in Mihajlovich's detachments. Alas, not overlooked was the firing of the editor of *Nin* during the subsequent crushing of "liberalism."

Any regime after Tito's that does not at least partly rehabilitate Mihajlovich and his movement will merely be prolonging a dictatorship that prevents the healing of the civil war wounds. . . .

It is not only the quiet debate stimulated by the trial of Djuro Djurovich that led me to set down my thoughts about the Mihajlovich movement. I first met Djurovich under strange circumstances. In November 1966, a day before I was to start a one-year prison term given to me by the court in Zadar, I stopped to say goodbye to an elderly lawyer who is an acquaintance of mine. He had with him a tall, thin, gray-haired man who kept silent all the time, and to whom I did not pay much attention, missing his name altogether.

The next day I entered the prison in the town of Pozharevac and after 10 days I was transferred suddenly to the central prison in Belgrade for reinvestigation. I had been formally convicted not because my articles had appeared in the Western press, but because of my attempt to establish an independent journal, which is not punishable under the Yugoslav laws. The arrested members of the editorial board of our journal were already awaiting me. They had previously prepared the first issue and had been continuing publication work, refusing to be intimidated by the fact that I had actually been convicted.

During the new investigation the interrogator insisted throughout that I confess about the person I had contracted from the high leadership of Mihajlovich's movement. Since up to that time they had been trying to accuse me of nonexistent connections with the Croation nationalists, I just chuckled, assuming that this was simply an attempt to create a Serbo-Croation "balance." But the interrogator reminded me of the encounter with the gray-haired old man in the house of my lawyer acquaintance (I was followed day and night), and only then did I really learn who I had met. At the new trial in Belgrade, where I was sentenced to three and one half years in prison, they did not bring up the encounter.

Last year I again met Djurovich by accident in a friend's house in Belgrade, and I told him about the attempt to link me with him. It was news to him. He invited me then to stop by sometime. I went to visit him briefly in December 1973 and found him bedridden with rheumatism. A week later he was arrested and taken off to prison; last October, almost a year afterward, he finally received his day in court—and five-year prison sentence.●

MAINTAINING AMERICAN MILITARY CEMETERIES IN FRANCE

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. TEAGUE. Mr. Speaker, last week I alerted my colleagues that the U.S. Ambassador to France, Arthur A. Hartman, has proposed that seven World War I American military cemeteries now maintained by the American Battle Monuments Commission be turned over to the supervision of foreign nationals rather than being maintained by American personnel.

I recently expressed my dissatisfaction with this proposal to the Secretary of State and based on the reply I received from the State Department that they apparently plan to proceed with Ambassador Hartman's recommendation, I am introducing a bill today which would require that personnel employed as cemetery superintendents and assistant superintendents shall be citizens of the United States. There follows a copy of my letter to the Secretary of State and the response received regarding this matter:

JUNE 8, 1978.

Hon. CYRUS R. VANCE,
Secretary of State, Department of State, 2200 C Street NW., Washington, D.C.

DEAR MR. SECRETARY: This is in reference to the consideration being given by the Department of State to decrease the need for American Superintendents at American overseas military cemeteries in order to improve our balance of payments.

American memorials and overseas military cemeteries are administered by the American Battle Monuments Commission. Legislation relating to the American Battle Monuments Commission comes within the jurisdiction of the Committee on Veterans' Affairs, of which I am the senior Member. Consequently, I have enjoyed a long and continuous relationship with Members of the Commission and have visited a number of the overseas memorials and cemeteries.

All of these cemeteries administered by the Commission are a credit to the United States. These cemeteries represent a perpetual memorial to those citizens who made the supreme sacrifice in the national interest. It is fitting and proper, therefore, that such memorials be administered by Americans, especially when we realize that

these overseas cemeteries are visited by large numbers of Americans each year. By having the memorials operated by American Superintendents, we are demonstrating to the relatives and friends of those interred therein, that by their presence, our country really cares.

I want you to know that I am personally opposed to any plans to replace the Superintendents and Assistant Superintendents at our American memorials and overseas military cemeteries with foreign nationals. In keeping with my views on this issue, I am enclosing copies of correspondence by the Disabled American Veterans to the respective Chairmen of the Subcommittees on Appropriations which approve funds for the American Battle Monuments Commission.

There is no justification for replacing Americans in the positions of Superintendents and Assistant Superintendents at these overseas shrines. I want you to know, therefore, that I will support legislation that would prohibit such a transfer, should legislation be necessary.

Sincerely,

OLIN E. TEAGUE,
Member of Congress.

Enclosures.

DEPARTMENT OF STATE,
Washington, D.C., July 12, 1978.

Hon. OLIN M. TEAGUE,
House of Representatives.

DEAR MR. TEAGUE: On behalf of Secretary Vance, I am replying to the letter which you addressed to him on June 8, regarding proposals which could alter staffing arrangements in France for the American Battle Monuments Commission (ABMC). I would like to summarize the facts concerning these proposals and assure you that neither the Department of State nor Ambassador Hartman desires to curtail a program which maintains American cemeteries abroad according to highest standards of excellence.

The President's general concern about overseas staffing does not relate primarily to balance of payments or to immediate budgetary savings but rather to a desire to limit and reduce the number of U.S. officials who are resident in foreign countries. In order to identify any excessive employment of American citizens overseas, the President directed last year that staffing for all programs operating abroad be carefully scrutinized, using a Zero Base budgeting approach. Agency headquarters as well as our ambassadors were asked to complete separate reviews of staffing.

Each American ambassador is responsible by statute (22 U.S.C. 2680a) for directing, coordinating and supervising all U.S. Government employees within his jurisdiction. Moreover, President Carter has personally charged each ambassador to keep the number of U.S. Government personnel at the minimum necessary to meet national objectives. Ambassador Hartman offered his recommendations only after very serious consideration and in response to a clear Presidential mandate and requirement.

Responding to the same Presidential concern, ABMC management last year identified up to seven American positions (Assistant Superintendents of World War II cemeteries in Europe) for elimination if the President should order such a reduction. At that time, ABMC cautioned against such reductions, stating that the personnel occupying those seven positions were being trained to replace Superintendents nearing retirement. It is worth noting that General Donaldson (ABMC Paris), in discussions with Ambassador Hartman, also identified these seven Assistant Superintendent slots for elimination if ABMC should be required to lower its staffing levels.

After reviewing the general prospects for overseas reductions as identified by all agencies on the one hand and by our Chiefs of Mission on the other, the President at a March 1978 Cabinet meeting approved action to follow through on recommendations submitted by various American ambassadors.

The inter-agency mechanism for taking such action, Monitoring Overseas Direct Employment (MODE), was instituted by a directive of the National Security Council. Its procedures required that reduction recommendations undergo very careful scrutiny before final decisions are reached. Any agency affected, including the ABMC, has full opportunity to comment and participate. In addition, we have provided copies of your letter to those who are addressing the issues. So far, no decision has been made affecting ABMC personnel levels. However, an initial staff review has been prepared, outlining the facts and arguments for and against. It concludes that more data are needed before the issue should go forward for final decision. The concerned parties will be contacting ABMC headquarters for this purpose.

Those charged with decisions in this inter-agency process are fully sensitive to the depth of feelings represented in your letter and others received on this subject.

Sincerely,

DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.●

THE COBRA'S NEW STRIKE

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. VENTO. Mr. Speaker, I would like to call the attention of my colleagues to the article in Newsweek for July 24, 1978, which sums up extremely well the facts and the issues in the current Northwest Airlines strike.

I want to commend the writers of this succinct article.

THE COBRA'S NEW STRIKE

A Minneapolis executive flies home from Boston—via Dallas. Montana ranchers who want to fly between Billings and Helena, only 225 miles apart, find themselves passing through Denver, a detour of nearly 1,000 miles. And in North Dakota, east-west air traffic slowed to a virtual standstill. So it goes these days, all across the northern tier of states from Illinois to Washington, as the strike by 1,500 pilots of Northwest Airlines moves well into its third month. There is no apparent settlement in sight, and for one curious reason: with both sides cushioned from the impact, neither has much economic incentive to end the dispute. That leaves only one real victim. "The public is the silent party in this strike," complains North Dakota tax commissioner Byron Dorgan. "It pays the cost but doesn't sit at the bargaining table."

On the surface, at least, the Northwest strike turns on fairly orthodox labor demands: better fringe benefits, longer rest periods and higher pay. But the real controversy centers on an unusual pooling arrangement among fifteen carriers, the Mutual Aid Pact (MAP), which not only can allow an airline to stay in the black during a long strike, but may also prolong the walkout because management has less to lose.

Formed in 1958 and periodically approved by the Civil Aeronautics Board, MAP assesses members on an annual basis and uses the funds to pay up to half of a struck airline's normal operating expenses. Since the maximum MAP payment was raised nine years ago, the average strike against members has more than doubled in length, to 78 days, compared with 11.5 days for nonmember airlines. "MAP is just a sham," says Northwest pilot and union official Gene Kragness. "On the one hand, the CAB is advocating laissez-faire capitalism, and on the other hand, it is supporting this blatant restriction of free trade."

An Industry Joke: Northwest, the seventh-largest U.S. carrier, is the main beneficiary of MAP, but that's hardly surprising, given its labor record: the industry joke is that the company should change its name to "Cobra Airlines—we strike at anything." Over the past two decades, Northwest has taken strikes with astonishing regularity—four in the last eight years alone—and collected an estimated $180 million from the MAP pool, nearly $80 million during the current walkout.

Some member carriers are growing critical of Notrhwest's dips into the MAP pool; they worry that the attenion paid to its regular "welfare checks" could result either in a CAB ruling or new legislation to scrap the arrangement. Eastern Airlines, for one, withdrew from MAP last week, saying it had paid out $74 million and received only $26 million over the years. Direct competitors also complain that Northwest is playing both sides of the street. Even as it accepts MAP payments, the carrier has continued to fly on a limited basis with cockpit crews recruited from management and a handful of nonstriking pilots—and, says the competition, only on the most lucrative runs.

Pinchpenny: In the best of times, Northwest chairman Donald Nyrop runs a pinchpenny operation—the line is headquartered in a windowless, hangarlike building at the Twin-Cities airport. Now it's tighter still, with all but 2,000 of his 10,000 employees furloughed. The result: give the MAP payments, the sale of several planes, and reduced wage and fuel costs, Northwest will show a second-quarter profit of at least $10 million, analysts predict, compared with $16.6 million in the first quarter before the walkout.

Most Northwest employees also take the strike in stride. "We really look foward to a strike," says stewardess Barbara Vignere, who is married to a Northwest co-pilot. "They're usually in the summer, so we plan on taking vacations then." The Vigneres can enjoy themselves; on layoff because of the strike, she is receiving $488 unemployment compensation a month. Meanwhile, her husband gets $700 a month from the union's strike fund. Still, the strike is no picnic. The pilots who are still flying say they have been harassed crossing picket lines, received death threats and voodoo dolls and have even found pipe bombs in their cars.

The public, meanwhile, is caught in the middle. Northwest is the only major carrier serving much of Montana, North Dakota, Minnesota and Washington, and economic losses have been considerable: Montana says it lost $13 million in the first month of the strike and North Dakota $8 million. The strike stranded a batch of needed measles vaccine in Denver, and kept buyers from reaching Bismarck, N.D., for a major auction of oil and gas leases. Worse, Northwest has continued to sell tickets as long as schedued departure is at least two weeks away—and, according to CAB attorneys, hasn't given customers adequate notice that the flights might be canceled. At the same time, other airlines are taking advantage: CAB investigators found that some ticket holders were being forced to pay premiums of up to $150 to transfer to other airlines, though CAB rules prohibit the practice.

Will a settlement come anytime soon? Given Northwest's track record, optimists are hard to find. Still, the pressures on both sides are building. The CAB is now pondering whether to renew MAP—and if the board doesn't take a tougher line, congressmen from states affected by the strike may well sponsor legislation to kill the pact. Some

striking pilots are also growing restive; captains with high seniority already make $85,000 a year—they seek a boost of at least $11,000—and strike-fund payments hardly come close to the lost income. And the airline itself is in much the same position: even with MAP, it's losing the chance to cash in on the current boom in air travel.●

TODAY'S NAZI THREAT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. LaFALCE. Mr. Speaker, it has been 34 years, since the Allies buried the original National Socialist movement in the rubble of the "Thousand Year Reich." Because its crimes were so monumental in scope, and because its nature was so permeated with evil, everyone expected that the world had seen the last of the Nazis. Recent events in Illinois and elsewhere have demonstrated that such evil is not so easily extirpated.

Nazism must be rigorously and vigilantly combated, in order to insure that the world is never again exposed to the full horror of a National Socialist movement in power. One of the most effective weapons in this struggle is a sure knowledge of that movement and its strength both here and abroad. For that reason, I would like to draw my colleagues' attention to an incisive article which appeared in the Buffalo Jewish Review on July 7, 1978. This article, titled "American Nazis Are 'Virtually' No Threat," dispassionately assesses the strengths and weaknesses of today's National Socialist movement and in a highly commendable fashion avoids both complacency and hysteria.

The article follows:

[From the Buffalo Jewish Review, July 7, 1978]

ACCORDING TO JEWISH LEADERS AMERICAN NAZIS ARE "VIRTUALLY" NO THREAT

(Ed. note—This article on Nazi parties in the United States, and accompanying articles in this issue of the "Buffalo Jewish Review," were written exclusively for this newspaper. They are the first in a periodic series of reports in the "Jewish Review" on threats to Jewish life in this country.)

The National Socialist Party of Chicago plans to hold a Supreme Court-sanctioned rally in Chicago's Marquette Park on Sunday.

It probably won't be the last public demonstration by the ideological descendants of Adolf Hitler.

And it certainly isn't the first.

As early as the 1930s, brownshirt members of the Amerikadeutscher Volkbund paraded through the Yorkville section of New York City, declaring a boycott of Jewish merchants.

In these anti-Semitic acts, the Nazis are not alone.

Groups such as the Ku Klux Klan—which revived the myth of Jews as Christ-killers and called for boycotts of Jewish businesses in the 1920s—and the Defenders of the Christian Faith and Father Charles E. Coughlin's National Union for Social Justice have aided the Nazis' propagation of anti-Semitism.

The defeat of Germany in World War II, the Nuremberg Trials, and continual reminders of the atrocities of the Holocaust put the Nazi label into disrepute for a long time. But recent years have seen a rise in the notoriety, if not the numbers, of Nazi and neo-Nazi groups in this country and abroad.

For instance:

. . . Canada—Two members of the Western Guard Party (the Canadian name for the Nazi Party) were sentenced to prison terms last year for smashing windows and painting swastikas on property of Jews and Blacks.

. . . England—The National Front, led by a man who was a leader in Britain's National Socialist Movement, has become the country's fourth largest political party.

. . . Brazil—After police raided a meeting this year of Nazi supporters in the summer resort of Itatiaia, they found a "vast quantity of Nazi propaganda," including a German edition of Hitler's "Mein Kampf," and "The Protocols of the Elders of Zion."

. . . Holland—The Amsterdam Court of Law this year banned political activities by the Nederlandse Volksunie—the former National-Socialistische Bond—on the grounds that "its activities and actions appear to border on criminality."

. . . West Germany—Members of neo-Nazi groups appear publicly in black-and-brown Nazi uniforms in Hamburg and other large cities, Jewish shopkeepers have received anonymous telephone threats, Jewish gravestones have been painted with swastikas, Nazi literature has been distributed on street corners.

Swastika badges were sold at an ice skating event in West Berlin, Hitler's officer's cap brought $2,900 at an auction.

German officials say neo-Nazi parties are "not yet" a threat to the government.

Officials of Jewish organizations in this country say the same thing.

American Nazis are "not a big threat," says Saul Sorrin, who last year wrote a report on "Individual Freedom" for the National Jewish Community Relations Advisory Council.

American Nazis are "virtually no threat," says Milton Ellerlin, on the staff of the Trends Analyses Division of the Domestic Affairs Department of the American Jewish Committee, for whom he wrote a report on American Nazis this year. "Anti-Semitism in the United States today is in disrepute. You cannot build a political movement on 'Kill niggers and Jews'."

The main danger posed by Nazis in this country, Ellerlin says, is isolated outbursts of violence by Nazi sympathizers, often inspired by Nazi literature.

Recent activities by Nazi followers in this country include the following:

. . . Two students at the Rabbinical College of America in Morristown, N.J., were threatened by a man wearing a Nazi SS uniform and an accomplice with a gun.

. . . Neo-Nazi newspapers were placed in mailboxes in Westerlo, N.Y., a rural area outside of Albany.

. . . Residents of Elmira, N.Y., reported receiving postcards with the messages "Jude Raus," "Heil Hitler," and "Hitler was right."

. . . The National Socialist White Workers Party opened the "Rudolf Hess Bookstore" across from a synagogue in a southwest edge of San Francisco. The bookstore was closed after 50 angry Jews wrecked the store.

. . . The Detroit National Socialist Movement was evicted by police from its headquarters/bookstore on the city's southwest side, following complaints from residents of the area.

. . . The National Socialist White People's Party's candidate for Mayor of Milwaukee received 4,764 votes—about five percent of the total—during a 1976 primary election. Two Nazi candidates for the Milwaukee School Board received 5,150 and 6,305 votes during a 1977 primary election.

2,064 VOTES IN CHICAGO

. . . Frank Collin, leader of the National Socialist Party of Chicago, received 2,064 votes—16% of the total—in a 1975 election for City Alderman.

. . . A Nazi candidate for Mayor of Houston received 975 votes, and a Nazi candidate for the city council in a North Carolina city received 424 votes.

. . . Jesse Stoner, leader of the Georgia National States Rights Party, ran for Governor of the state on a platform which included the gassing of Jews. He received more than 18,000 votes in 1970. In 1974, running for the State Senate on the same platform, he received more than 42,000 votes. He ran for Lt. Governor in 1974 on the same platform; he received more than 71,000 votes.

And there have been periodic marches and rallies by Nazi groups in Chicago, St. Louis, San Jose and Washington, D.C.

What do these people want?

"They want publicity," says Sorrin. "They have a deseprate need to be motivated."

"They are looking for personal aggrandizement," says Ellerlin. Ellerlin says no Nazi will likely be elected to any political office in this country "in the foreseeabe future."

Ellerlin estimates that the total number of Nazi party members in this country is no more than 1,500–2,000. Other authorities say the total is as low as 500–1,000.

"BASICALLY ILLITERATE"

The Nazi party members are "the flotsam and jetsam of society," Ellerlin says. He says they tend to be white, male, lower-middle class, with "very little if any" education beyond high school. They are "basically illiterate," he says.

Ellerlin says the Nazi parties in this country have no ties with former Nazis from Germany who now live here.

The Nazi element in the U.S. is divided among at least 13 groups, all of which splintered off the original American Nazi Party founded by George Lincoln Rockwell in the mid-1950's. Rockwell was killed by a disgruntled Nazi party member in 1967.

Some of the Nazi groups in the U.S. are:

. . . The National Socialist White People's Party—Rockwell changed the name of the American Nazi Party to the NSWPP, shortly before he was killed, to mute its foreign flavor.

The NSWPP is based in Arlington, Va., is led by Matthias Koehl, a Milwaukee native who was a top Rockwell aide for five years, and claims a membership of 100 "hard-core" members and 500 dues-paying supporters. Sub-divisions of the NSWPP include the National Socialist Youth Movement and the National Socialist Women's Organization.

The NSWPP has units in northern Virginia, Chicago, Cleveland, Los Angeles, Milwaukee, Minneapolis, and in the San Francisco and Tracy-Stockton areas of California. It publishes two monthly periodicals, White Power and the NS Bulletin, and has an estimated annual income of $70,000–$100,000.

The NSWPP is affiliated with the World Union of National Socialists.

COLLIN'S GROUP

. . . The National Socialist Party of America—This group is based in Chicago in a two-story storefront building called "Rockwell Hall."

The NSPA was founded by Frank Collin, 33, who was expelled from the NSWPP in 1970 on the grounds that he has a Jewish father. Collin has consistently denied that report.

The NSPA's total membership is estimated to be no more than 100. Collin's group is the one that has threatened to march in Chicago and Skokie.

. . . The National Socialist White Worker's Party—The NSWWP has headquarters in San Francisco, and units in Houston, New Jersey, Rhode Island, Texas and elsewhere in California. Its leader is Allen Vincent, a self-styled "graduate of California penal institutions."

Vincent was the head of Rockwell's National Socialist Youth Corps.

Meetings of the NSWWP open with the recitation: "I pledge allegiance to Adolf Hitler, the immortal leader of our race. . ."

. . . The National Socialist Movement—The NSM is based in Cincinnati, and is headed by James Mason, who has sought an alliance of Nazi groups with the KKK and other racist organizations.

The NSM has units in Cincinnati and Detroit.

"WHITE CONFEDERACY"

. . . The United White Peoples Party—The UWPP is based in Cleveland, and has about a dozen members. It is headed by "Colonel" Casey Kalemba, who has tried to form a national Nazi coalition called the "White Confederacy."

UWPP members have invaded and disrupted meetings of the Cleveland City Council.

. . . The American White Nationalist Party the AWNP is based in Columbus, Ohio, and is led by a pair of brothers who have prison records.

. . . NSDAP—Auslands Organization (German Nazi Party Overseas Organizations)—This group has headquarters in Lincoln, Nebraska, and has four or five young supporters. The group's leader, Gerhard Lauck, claims strong organizational ties with secret neo-Nazi cells in West Germany.

. . . The National Socialist Liberation Front—Many of the members of this small, California-based group carry firearms, making it the most violent of the Nazi splinter groups. It was founded by Joseph Tomassi, former West Coast leader of Rockwell's Nazi Party. Tomassi was killed by a NSWPP member in 1975.

The NSLF is now headed by David Rust of Panorama City, CA., who was sentenced to prison in 1977 after conviction on a federal firearms charge of possessing a silencer. The NSLF has an eastern headquarters in Newport-Wilmington, Del., and has recruited members in California prisons.

GAY NAZIS

. . . The National Socialist League—This group has units in Los Angeles, San Francisco and San Diego, and individual members in Louisville and Chicago. The Los Angeles branch is for gay Nazis.

. . . The White Power Movement—The creation of a commercial printer in Reedy, W.Va., this is not a membership group, but a propaganda mill described as "the largest distributor of anti-Semitic literature in the United States. It supplies many of the materials offered by Nazi groups, the KKK and other hate groups.

Several attempts have been made in recent years to unify these groups. All have failed. Similar attempts to unify U.S. Nazi groups with the KKK, and the National States Rights Party, also have failed.

"A discord produced by clashing personalities and ambitions" has kept the Nazi groups in a state of disunity, according to an Anti-Defamation League *Facts* reports.

Nazi groups in the U.S. are considered so ineffectual that the Federal Bureau of Investigation abandoned its surveillance of them several years ago.

BARRATROUS LEGISLATION

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. PICKLE. Mr. Speaker, for some time now I have advocated an amendment to our truth-in-lending law. I maintain that for the law to be fair to both borrowers and lenders the law should contain a substantial rule. In other words, for meaningless, de minimis, harmless violations in disclosure, the lender would not be strictly liable.

Presently, the law gives a remedy no matter what the intent or impact of a technical violation.

This has caused the lenders to be harassed and liable in law suits dreamed up by attorneys; and has caused the consumers to face disclosure statements so confusing (so as to be legal technically) that the statements are meaningless.

Some Federal courts agree with my position, and have just blatantly ridiculed the law in written opinion.

I ask permission to place another court decision in the CONGRESSIONAL RECORD exposing the need to amend the truth-in-lending law.

As a flavor of this opinion, rendered by Judge Robert F. Chapman of the U.S. District Court, D. South Carolina, I want to quote just one tame line from the opinion:

This barratrous legislation transforms loan documents into contest puzzles in which prizes are awarded to those who can uncover the technical defects.

I commend this to all Members of the House.

HARRIET V. WILSON, PLAINTIFF,

v.

ALLIED LOANS, INC., DEFENDANT

[Civ. A. No. 77-803]

United States District Court, D. South Carolina, Columbia Division, March 14, 1978.

Suit was brought by borrower alleging that forms used by lender violated the federal Truth in Lending Act. On cross motions for summary judgment, the District Court, Chapman, J., held that: (1) lender, which actually acquired a security interest in any appliances or furniture acquired by the borrower within ten days of the loan date, violated the regulations by failing to disclose such interest; (2) since initial charge was not withheld from the amount financed, that initial charge was not required to be labeled as a prepaid finance charge," and (3) disclosure of $159.63 figure on form labeled "Net cash from chart," representing $167.24, the amount financed, less payments for credit insurance policies and eight cents for documentary stamps, was not confusing, misleading or inconsistent with disclosure requirements.

Judgment for plaintiff.

Marshall T. Walsh, Gaines & Walsh, Spartanburg, S.C., for defendant.

ORDER

Chapman, District Judge.

Since Congress, in all of its wisdom, has determined that federal district courts should preside over consumer complaints against finance companies relating to technicalities in language used in loan documents in which the lofty sum of $100 is at issue, this Court must now proceed to wade through the morass of technical regulations issued by the Federal Reserve Board in an attempt to reach the merits of this case.

Defendants made two installment loans to the plaintiff in which she borrowed $167.24 to be repaid in seven monthly payments of $28. Defendant secured this loan by taking a security interest in a range and set of bunk beds owned by plaintiff. In bringing this suit, plaintiff alleges that the forms used by defendant violated the Federal Truth in Lending Act, 15 U.S.C. § 1601 et seq., and that she is entitled under that Act to a judgment in the sum of double the amount of the finance charge or $100,[1] whichever is greater, plus costs and attorney fees. 15 U.S.C. § 1640. This matter is presently before the Court on cross motions for summary judgment.

[1] Plaintiff alleges that the disclosures made by the defendant on the loan document violated the Act in three ways. First, plaintiff alleges that the defendant failed to disclose that it was taking a security interest in after acquired consumer goods. She bases this claim on 15 U.S.C. § 1639(a)(8) which states that a creditor must disclose "a description of any security interest held or to be . . . acquired by the creditor in connection with the extension of credit, and a clear identification of the property to which the security interest relates."

Pursuant to 15 U.S.C. § 1604, the Federal Reserve Board promulgated the following regulations governing disclosure of security interests:

"12 C.F.R. § 226.8(b)(5)—In any transaction subject to this section, the following items, as applicable, shall be disclosed: (5) A description or identification of the type of any security interest . . . acquired by the creditor in connection with the extension of credit, and a clear identification of the property to which the security interest relates . . . . If after-acquired property will be subject to the security interest . . . this fact shall be clearly set forth in conjunction with the description or identification of the type of security interest . . . acquired."

"12 C.F.R. § 226.8(a)—All of the disclosures shall be made together on either (1) the note . . . on the same side of the page [as the creditors] signature; or (2) one side of a separate statement which identifies the transactions."

In this case, all information relating to each loan is contained on a single document. This document contains the full text of the note and the full disclosure of the loan terms on the front side. The text of the security agreement starts on the bottom of the front page and continues on the back. The document clearly discloses on the front page, in accordance with the statutes and regulations, that a security interest is acquired in certain property identified as a range and a set of bunk beds. The alleged defect in the form is the fact that terms on the reverse side [2] of the form extend the security interest to "all other goods of the same class now or hereafter acquired." Defendant argues in opposition to plaintiff's motion for summary judgment that no interest was acquired in after-acquired property because South Carolina law severely limits the effect of after-acquired property clauses with respect to consumer goods. S.C.Code Ann. § 36-9-204 (4)(b) (1976) provides:

"No security interest attaches under an after-acquired property clause to consumer goods other than accessions when given as additional security unless the debtor acquires rights in them within ten days after the secured party gives value."

Defendant's argument would be correct but for the 10 day provision. If state law had totally invalidated after-acquired interests in consumer goods, the language on defendant's form would have had no effect and no disclosure of a security interest in after-acquired property would have been necessary because no such interest would have been "acquired." Unfortunately for the defendant, since it actually acquired a security interest in any appliances or furniture acquired by plaintiff within ten days of the loan date, it violated the regulations by failing to disclose this interest. See *Ecenrode* v. *Household Fin. Corp. of South Dover*, 422 F.Supp. 1327 (D.Del.1976). Since this violation is apparent from the face of the loan document, there is no factual issue and plaintiff is entitled to a summary judgment as to this claim.

Despite the fact that this Court feels com-

[2] So much information is required to be printed on the face of the instrument that notes will soon be printed and rolled up as a Roman scroll.

pelled by the statutes and regulations to award the plaintiff the penalty established by the Truth in Lending Act, this result is absurd in light of the realities of this case. This barratrous legislation transforms loan documents into contest puzzles in which prizes are awarded to those who can uncover the technical defects. Unfortunately, these prizes are not paid by the sponsor of the contest, the government, but by finance companies who attempt to make a fair profit by loaning money while at the same time trying to insure that the loans will be repaid. They must necessarily use form documents which are sufficiently flexible to cover a wide variety of situations presented by both consumer and commercial loans. A penalty is imposed on the defendant in this case even though it has acted in good faith and despite the fact that plaintiff has sustained no damages. The violation in this case results from a minor technicality which arises from the operation of the 10 day rule relating to after-acquired security interests in consumer goods. The 10 day interest acquired was surely unwanted by the defendant, unimportant to the plaintiff, and unexpected by both parties. It gave no meaningful security to the defendant and its full disclosure to the plaintiff would undoubtedly have had no effect on plaintiff's decision to obtain the loan from the defendant.

(2) Plaintiff's second complaint about defendant's form is that an initial charge was withheld from the proceeds of the credit extended but was not labeled with the term "prepaid finance charge" as required by the regulations. The general disclosure requirements are set forth in 15 U.S.C. § 1639 and the relevant requirements and defendant's compliance with them follow:

(a) Any creditor making a consumer loan or otherwise extending consumer credit in a transaction * * * shall disclose each of the following items, to the extent applicable:

"(1) The amount of credit of which the obligor will have the actual use, or which is or will be paid to him or for his account * * *. [Defendant disclosed this amount to be $154.63.]

"(2) All charges, individually itemized, which are included in the amount of credit extended but which are not part of the finance charge. [Defendant disclosed itemized charges made for various types of credit insurance and documentary stamps which totaled $7.61.]

"(3) The total amount to be financed (the sum of the amounts referred to in paragraph (1) plus the amounts referred to in paragraph (2)) [Defendant stated that the amount financed was $167.24.]

"(4) * * * the amount of the finance charge. [The finance charge was stated to be $28.76.]"

The manner and specifity of the disclosures required by § 1639 are outlined in 12 C.F.R. § 226.8. After a circuitous jumping between paragraphs and subparagraphs this regulation eventually establishes a requirement that any amount withheld by the creditor from the "credit extended" be labeled with the term "prepaid finance charge." The clarity of the explanation of this requirement is apparent without a need for comment from the following quotations from § 226.8:

"(c) In the case of a credit sale, in addition to the items required to be disclosed under paragraph (b) of this section, the following items, as applicable, shall be disclosed:

"(6) Any amounts required to be deducted under paragraph (e) of this section using, as applicable, the terms 'prepaid finance charge' and 'required deposit balance' and, if both are applicable, the total of such items using the term 'total prepaid finance charge and required deposit balance.' "

(d) In the case of a loan or extension of credit which is not a credit sale, in addition to the items required to be disclosed under paragraph (b) of this section, the following items, as applicable, shall be disclosed:

"(1) The amount of credit, excluding items set forth in paragraph (e) of this section, which will be paid to the customer or for his account or to another person on his behalf, including all charges, individually itemized, which are included in the amount of credit extended but which are not part of the finance charge, using the term 'amount financed.'

"(2) Any amount referred to in paragraph (e) of this section required to be excluded from the amount in subparagraph (1) of this paragraph, using, as applicable, the terms 'prepaid finance charge' and 'required deposit balance,' and, if both are applicable, the total of such items using the term, 'total prepaid finance charge and required deposit balance.' "

(e) The following amounts shall be disclosed and deducted in a credit sale in accordance with paragraph (c)(6) of this section, and in other extensions of credit shall be excluded from the amount disclosed under paragraph (d)(1) of this section, and shall be disclosed in accordance with paragraph (d)(2) of this section:

"(1) Any finance charge paid separately, in cash or otherwise, directly or indirectly to the creditor or with the creditor's knowledge to another person, or withheld by the creditor from the proceeds of the credit extended."

As if this explanation of the "prepaid finance charge" requirement were not confusing enough, the Federal Reserve Board made matters worse by issuing the following "interpretation" of this requirement codified as 12 C.F.R. § 226.819:

"(a) Section 226.8(c)(6), 226.8(d)(2) and 226.8(e)(1) require that certain finance charges be disclosed as "prepaid finance charges." They also require that such prepaid finance charges be excluded or deducted from the credit extended in arrising at the "amount financed." The question arises whether add-on, discount or other pre-computed finance charges which are reflected in the face amount of the debt instrument as part of the customer's obligation, but which are excluded from the "amount financed," must be labeled as "prepaid" finance charges.

"(b) The concept of prepaid finance charges was adopted to insure that the "amount financed" reflected only that credit of which the customer had the actual use. Precomputed finance charges which are included in the fact amount of the obligation are not the type contemplated by the "prepaid" finance charge disclosure concept. Although such precomputed finance charges are not to be included in the "amount financed," they need not be regarded as finance charges "paid separately" or "withheld by the creditor from the proceeds of the credit extended" within the meaning of § 226.8(e) to require labeling "prepaid" under §§ 226.8(c)(6) and 226.8(d)(2). They are "finance charges," of course, to be disclosed under §§ 226.8(c)(8) and 226.8(d)(3).[3]"

This interpretation clarifies the concept of prepaid finance charges like mud clarifies water. The regulation and interpretation repeatedly use the phrase "credit extended" as a starting point for determining whether a charge is a "precomputed finance charge" or a "prepaid finance charge." The term "credit extended," however, is never defined by the regulations. Only the term "credit" is defined as meaning "the right granted by a creditor to a customer to defer payment of debt, incur debt and defer its payment, or purchase property or services and defer payment therefor." 12 C.F.R. § 226.2(1). How is the lender to know whether a part of the finance charge is withheld from the "proceeds of the credit extended" unless he knows what the term "credit extended" means? In the instant case, if the credit extended is $196.00 (the total of the payments), then the $10.03 initial charge is withheld from the proceeds of the credit extended and it should have been labeled as a "prepaid finance charge." If, on the other hand, the credit extended is $167.24 (the amount financed) then the $10.03 initial charge was not withheld from the proceeds of the credit extended and no "prepaid finance charge" label was required. Since no definition of "credit extended" is contained in the regulations, this Court defines the term as it relates to this case to be synonymous with "amount financed." Accordingly, since the initial charge was not withheld from the amount financed, that initial charge was not required to be labeled as a "prepaid finance charge." Defendant, therefore, is entitled to a summary judgment as to this claim.

[3] Plaintiff's third complaint is that the loan documents contained "information which is confusing, misleading and inconsistent with the Disclosure requirements of 12 C.F.R. § 226.6(c)." That section of the regulations provides that any additional information disclosed by the lender "[not] be stated, utilized, or placed so as to mislead or confuse the customer. . . ." Plaintiff contends that this regulation was violated by the disclosure of the $159.63 figure labeled on the form as "Net cash from chart." Plaintiff complains that the form gives "no explanation as to what these figures . . . represent nor is it indicated as to how this might be calculated." The Court does not understand why plaintiff is confused by the $159.63 figure. The form clearly shows that the amount financed is $167.24. Plaintiff could have acepted that amount in cash; however, she elected to purchase various credit insurance poliices. These policies and the eight cents deducted for documentary stamps totaled $7.61 which, when deducted from the amount financed of $167.24, equals $159.63. It is quite clear that this figure results from the deduction of the insurance and stamps from the amount financed. Furthermore, there is nothing confusing or misleading about the label "net cash from chart." The form contains a chart showing, inter alia, the amount financed and the various insurance charges and the $159.63 net cash figure is clearly obtained from the figures on this "chart." There is no merit to plaintiff's complaint about this figure and the defendant is, accordingly, granted summary judgment on this issue.

It is, therefore, ordered, in accordance with the foregoing discussion, that judgment be entered in favor of the plantiff in the amount of $100 plus costs of this action plus a reasonable attorney fee of $150.00.

And it is so ordered.●

[3] Anyone capable of deciphering 12 C.F.R. 226.8 and its "interpretation" should be working as a cryptographer at the Pentagon and not for a bank or loan company.

THE 160-ACRE LIMIT AND OTHER RECLAMATION ISSUES

HON. MAX BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. BAUCUS. Mr. Speaker, one of the tough issues facing this Congress is updating of reclamation law. Last August the Secretary of Interior announced proposed rules to enforce the 160-acre limit

on lands irrigated by Federal reclamation projects. These proposed rules—blocked for now by a Federal court order—precipitated a huge uproar that pointed out the need for Congress to update the Reclamation Acts.

I cannot stress strongly enough how important it is for the Interior Committee and its Subcommittee for Water and Power Resources to take positive action this year. I realize we face very tough issues, but the problems will not go away if we ignore them.

During the past year, the Water and Power Resources Subcommittee and its staff have had ample opportunity to study problems in the current reclamation law. They have held an extensive series of hearings and have heard from many of those affected in the Western States.

Next year there will be a new committee chairman and a new staff. In addition, the Interior Department will have completed its environmental impact statement and will be free to enforce the regulations it has drafted for administering reclamation lands.

Farmers throughout the Western States are on a hotseat. They do not know what acreage limitation and residency requirements are going to apply. These issues are too important to be left to the discretion of the Secretary of Interior. It is time for Congress to clearly state its intentions.

I have introduced H.R. 11638 which is identical to S. 2606, introduced by Mr. CHURCH in the Senate.

Our bill calls for a limitation of 1,280 acres of leased and owned land per family unit. It provides for equivalency formulas to increase the acreage on lands of limited productivity. Also, the bill provides that residency will not be a requirement for receiving project water.

I believe that H.R. 11638 provides a reasonable compromise toward resolving some of the tough reclamation issues. But certainly other viewpoints are going to have to be considered. Let me stress again that I think it is essential for Congress to pass a bill as soon as possible.

I have discussed reclamation law extensively with farmers and water user groups. Last year I held a hearing in Montana to study reclamation issues. We have some special problems, and I would like to take this opportunity to explain some of them.

In Montana, out of 3,638 owners of federally irrigated land, only 179 are in excess of current acreage limitations. For farms that have excess acreage, the average excess is 124 acres per farm.

I point this out not as an indication that the problem of excess acreage is minor, but to show that large accumulations of farmland are not occurring in Montana irrigation districts. Farming by outside corporations is virtually unknown on irrigated lands in Montana. We do not have anything that compares with the Southern Pacific Land Co. situation in California.

Economic studies and testimony of farmers show that the 160-acre limit is too restrictive for Montana. There has been an enormous amount of discussion about an acreage limit that might be more acceptable. The conclusion is that there is no "magic number" that can apply to all areas and conditions.

I think we all agree, though, that some increase in the limitation is essential. The new acreage limitation should be large enough so farmers can have economically viable operations. That requires at least the 1,280 acres called for in the legislation I have introduced. Also, an equivalency formula must be included to deal with special problems in areas like Montana where soils are poor and growing seasons short.

The minimum acreage necessary to support a family depends on many factors. These include soil quality factors that have been considered in some equivalency formulas. But other considerations may be even more important.

These include length of growing season, availability of markets, and transportation costs. Transportation is a critical factor in Montana agriculture. Distance limits our ability to market bulky commodities and perishables. It costs as much as $1 per bushel to freight our grains to west coast markets.

Crops that can be grown and marketed also have a lot to do with farm income. Acreage required for a family unit is enormous in the Milk River Valley in northern Montana, where major crops are hay and small grains. Smaller acreages are sufficient along the Yellowstone River, where there are markets for sugar beets and corn silage.

Thus, necessary size per family unit varies from area to area and might change over time as conditions change in the farm economy. A simple blanket increase in acreage limitation is not the ideal. Ideally, the acreage restriction should be determined separately for each project or area and be subject to periodic review. Input of local farmers, bankers and agricultural experts should be given major consideration in setting acreage limits.

Acreage limitations should be on the basis of family units, not the per-person limit presently imposed. A farmer should not be forced to dispose of land in the event of a divorce or loss of a child.

Also, family corporations and partnerships should be eligible to receive project water. For business purposes, many families have incorporated their businesses or formed partnerships. These organizations should be eligible to receive water for the same amount of acreage as if the individuals involved had not formed corporations or partnerships.

Our current reclamation law does not address the question of leasing. However, the Interior Department's proposed rules included a limitation of 160 acres on the amount of land an individual could lease. Certainly this is a question that Congress must address.

Leasing has become an integral part of the farm economy. Something like 60 percent of all farmland in the United States is leased.

Young people trying to start farming today must be able to lease land. Irrigated land in Montana costs $1,000 or more per acre, and beginning farmers just do not have the capital to buy their own land. Also, the return per acre is often low, and substantial acreages are necessary to make economic units.

Leasing is necessary so that farmers can retire but continue to receive the income and security an irrigated farm provides. Without the possibility of leasing, a farmer who became sick or injured would have to give up his land.

To summarize, leasing is an essential part of the farm economy and must be considered as part of any new reclamation law amendments.

Next, I would like to address the question of residency. Probably more Montanans would be in violation of the proposed 50-mile residency requirement than the 160-acre limitation. The 1926 amendments to the Reclamation Act do not mention residency, and the residency requirement has never been enforced.

Distances are vast in Montana. In many cases, irrigated farms produce winter feed for livestock ranches, and these farms are often more than 50 miles from ranch headquarters. Residency requirements would hamper the ability of families to pass land on to their children.

In one example I am familiar with, two brothers own a farm they inherited from their parents. One brother farms the land, the other works in a distant town. Under the administration's proposed regulations, the brother in town would have to sell his share of the land because he does not reside on it. Again, the residency requirement would work what I believe is an unnecessary hardship.

The aim of the residency requirement is to prevent outside interests from controlling agricultural land. A more reasonable approach might be a restriction on ownership by corporations that do not get a major part of their income from agriculture. I believe that this kind of approach would minimize outside ownership without putting unnecessary restrictions on legitimate farming families.

Next, I would like to discuss commingling of waters. The Interior Department's position appears that acreage restrictions should apply wherever Bureau of Reclamation projects provides any part of an irrigator's water. Farmers are concerned that the administration might take this to the limit and that the Bureau's authority might be extended to cover almost all irrigated lands.

We in Congress should specify that the Bureau's authority extends only to the proportion of the farmer's landholdings that are actually irrigated by Federal water.

Finally, I would like to mention a problem involving State land in Montana. When Montana became a State, the enabling act provided that ownership of sections 16 and 36 in each township would be held in trust by the State for supporting the school system. In Montana, the board of land commissioners has adopted a policy of not disposing of school trust land because the board cannot obtain a better long-term investment for the continued support of the schools.

To require the State to dispose of land it owns in project areas certainly does not make sense. These lands are leased by a large number of landowners. I believe this leasing meets the objective of the original acreage limitation, which

is to maximize the number of project landowners.

Amendments to the reclamation law should provide that each family leasing State land be eligible to receive project water to the extent of the acreage limitations established for private land.

The 1902 reclamation law is clearly outdated. The issues must be resolved now, so that farmers on reclamation lands can intelligently plan for the future. We must amend the reclamation law so that it truly allows the survival of family farms.

Again, I would urge Congress to act as soon as possible to resolve the issues of acreage limitation, residency, and leasing.●

"T'S AND BLUES": A NEW SUBSTITUTE FOR HEROIN

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. MURPHY of Illinois. Mr. Speaker, a new kind of drug abuse has surfaced in Chicago. The phenomenon, known as "T's and Blues," is another sad chapter in the history of drug abuse. Let us hope it will not be a long one. I would like to share with my colleagues a news column I have written on this subject, which follows below:

"T'S AND BLUES"

(By Representative MORGAN F. MURPHY)

In the past year, a new kind of drug abuse has appeared in the Chicago area. Because heroin addicts have found that the quality of "Mexican mud" has deteriorated, some have turned to an ingenious, but destructive substitute known as "T's and Blues."

The "T's" are Talwin, a pain-killing drug composed of synthetic opium; the "Blues" are pyribenzamine, a common antihistamine. When tablets of these two prescription drugs are ground together and injected intravenously, they produce a high similar to that of a heroin trip.

Last February, Peter Karl of WLS–TV and the Better Government Association (BGA) uncovered evidence that Chicago's Mohawk medical clinic was handing out T's and Blues prescriptions like candy. According to records sampled by Karl and the BGA, Mohawk wrote more than 2,300 prescriptions, mostly for Talwin and pyribenzamine, over just one weekend. Most of these prescriptions went to persons on Public Aid, which picked up a two-day bill for $8,000. The investigation prompted the closing of the clinic in late February.

A number of signs point to the increased abuse of Talwin and pyribenzamine. Among them: (1) Cook County Medical Examiner Dr. Robert Stein attributes the deaths of 39 county drug users to T's and Blues over a recent six-month period. (2) Chicago Police Lieutenant Fred O'Reilly says that some Chicago murders are directly related to the use of Talwin and pyribenzamine. (3) Investigators of the Illinois Dangerous Drug Commission found that between March 13 and April 9 Talwin was detected in 22 per cent of the drug addicts seeking admission to Chicago area drug treatment programs. (Not all abusers of Talwin, of course, are heroin addicts. Some are simply tablet abusers who have developed a strong dependence on the drug, much like heavy users of Valium.)

Just why Talwin and pyribenzamine came to be used as a heroin substitute is not known. One drug expert speculates that a "smart cookie" with pharmacological knowledge dreamed up the concoction. Whatever its origin, T's and Blues are fraught with danger. Alex Panio of Northwesterns' Department of Psychiatry says that the addictive potential of T's and Blues is "just like heroin, but with more complications." Side effects include respiratory problems, hallucinations, and severe withdrawals.

The WLS–TV news stories have triggered state and Federal agencies into action. Last April the Illinois Dangerous Drug Commission recommended that Talwin be classified as a Schedule II drug. That means Talwin would be considered a dangerous narcotic, making it harder for addicts to obtain the drug legally and easier for law officers to identify illicit sources of supply. In addition, the state Schedule II list carries stiff penalties for illegal trafficking. Final determination of Talwin's classification will not be made until the commission holds a public hearing on August 1.

At the Federal level, an advisory panel to the Food and Drug Administration (FDA) has recommended that the agency place Talwin on Schedule IV of the Controlled Substances Act. This list carries fewer restrictions and lighter penalties than Schedule II. Inasmuch as the T's and Blues phenomenon has been generally confined to the Chicago area, it is doubtful that the FDA would call for a stricter classification at this time.

The House Committee on Narcotics Abuse, of which I am a member, is closely following developments relating to T's and Blues abuse. The committee wants to determine more fully the nature and scope of this latest drug plague, and what Federal and state action is needed to combat this problem.●

TAX CUTS THAT PRODUCE BIGGER DEFICITS DEFEAT EFFORT AGAINST INFLATION

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. JACOBS. Mr. Speaker, I insert three editorials from the Indianapolis Star which argue wisely against so-called pump priming tax cuts which produce bigger deficits to defeat the effort against inflation:

[From the Indianapolis Star, Oct. 25, 1975]

MORE PIE IN THE SKY

The Ways and Means Committee of the United States House of Representatives has voted for lowered personal income taxes but has rejected the idea of coupling tax reduction to proportionate limitation of Federal spending.

The coupling principle has been debated often before but is a particularly hot item just now because of President Ford's proposal earlier this month for a $28 billion tax-cut package tied to equivalent reduction in spending. Mr. Ford's specific proposal was not before the committee at this time, but the idea was.

Although some individual taxpayers probably would be affected differently, the committee action approved a plan which in general would extend a reduction in income taxes applying to this year's income and originally enacted as a one-year recession-fighting measure. The amount of revenue involved is estimated at $12 billion on this year's incomes and $12.7 billion on next year's.

Before doing that the committee voted down a proposal to make the extended tax deduction subject to House Budget Committee action trimming an offsetting amount from the next Federal budget. It also voted down an alternative proposal to delay action on a tax cut until the budget target is set.

Thus in practical effect the Ways and Means Committee took the position that this bit of goodies should be handed to the taxpayers without any effort to balance it with spending restraint so as to avoid increasing the deficit. It voted for a continuation of the kind of fiscal irresponsibility that has saddled the nation with income-eating inflation.

The votes were almost on straight party lines, with 21 Democrats forming the inflation-ignoring majority while 12 Republicans and four Democrats formed the minority voting for the more sensible and responsible course of tying tax cuts to spending cuts.

Reduction in the grinding burden of Federal taxes is highly desirable. We're all for it. But it is self-defeating if it merely increases the deficits and thus increases inflationary pressure.

[From the Indianapolis Star, Dec. 10, 1975]

OLD-FASHIONED HORSE SENSE

With heavy Democrat backing the House of Representatives last week passed a bill to cut taxes that would make no comparable cut in Federal spending.

President Ford repeatedly has warned that cutting taxes and thus Federal revenues without also cutting Federal spending must inevitably put the Federal government deeper in debt and the nation deeper into inflation.

Benefits people might expect from a tax cut therefore would largely be wiped out by higher living costs, the President maintains.

But that simple truth seems to have escaped the large, heavily Democratic majority which hustled the tax-cut measure through the House.

One Democrat who wouldn't run with the pack, however, and voted against the measure—though he favored some of its provisions he considered tax reforms—was Indiana's 11th District Representative Andrew Jacobs Jr.

Commenting on his vote against the seemingly popular measure, Jacobs said:

"The problem with the bill . . . is that it contains the general tax cut and it deceives the public into believing there is money to provide a tax cut. With a $74-billion deficit (projected for fiscal year 1976) there isn't enough money to justify a tax cut, so I voted for reality and against inflation."

In his dissenting view published with the report on the bill by the House Ways and Means Committee, of which he is a member, Jacobs speaks of "competing to see how much nonexistent money the government can give away through further tax cuts." He adds:

"A general tax cut should await two events. First, Federal spending should be cut . . . to the point where there is a budget surplus. Second, and this will seem really old-fashioned, the government should then apply that surplus to retirement of the $600-billion national debt.

"When the national debt is reduced to a manageable and serviceable size and a new era of frugality has been firmly established, some portion of a budget surplus should be used . . . for the beginning of a general tax cut.

"When I suggested these ideas in the Ways and Means Committee, the response from most of my colleagues could best be described as puzzled silence."

Jacobs' ideas may be old-fashioned—sure, old-fashioned horse sense. And as to that "puzzled silence" bit—well, doesn't that perfectly spell out the almost total lack of sense in money matters that for years has led too many in Congress to act more like enemies than friends of the American people?

[From the Indianapolis Star, Dec. 16, 1975]

STALLING THE TAX-CUT HOAX

The failure of Democratic leaders in the United States House of Representatives to

whip up a two-thirds vote to override President Ford's veto of the presumably "popular" tax-cut bill indicates that more than a third of the members are hanging on to their common sense.

It is almost certain that those representatives who stubbornly insisted that the proposed extension of this year's reduction in income taxes would be a hoax have been sustained by support from the folks at home.

And this could only be because those folks at home—their voters—understand the fact that cutting taxes while spending more and more borrowed money in the end would cost the people more, not less, through inflation.

Perhaps there is hope that such understanding also may be spreading among constituents of other representatives and may in time spread to the representatives themselves.

It's not that Mr. Ford doubtless wouldn't like to see a tax-cut extension as much as anyone else. A politician, he might be expected to relish a bill to keep taxes down in an election year. But he had said repeatedly he would veto the measure because it provided for no equivalent restraint on government spending. Thus it could only increase the Federal deficit and thus even further hike the rate of inflation.

The nation can be grateful that a veto-sustaining number of representatives agreed with his position.

Since the Federal government long since has been jockeyed into vast inflation-breeding debt by almost endless congressional voting for ever-more-expensive Federal programs, the President's argument against cutting Federal taxes without cutting Federal spending to match would seem irrefutable.

Not to the majority in Congress, however. In its blatant foisting on the President of a cut-taxes-but-not-spending bill, the Democrat-controlled Congress all too obviously was intent on the disreputable political dodge of "buying" votes in an election year with airy unconcern for what comes after the election is safely over.

Surely the American people deserve better than that. And that is precisely the President's point in refusing, himself, to be party to such barefaced political skulduggery.●

CHAIRMAN CLEMENT ZABLOCKI SUMMA CUM LAUDE

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. STEIGER. Mr. Speaker, it is not every day that we find a news analysis 100 percent favorable to a Member of Congress. It is so rare, indeed, that when reporter Frank Aukofer had completed a score of interviews and found that no one had anything unfavorable to say, this correspondent for the Milwaukee Journal felt constrained to tell his readers: The assessment you are about to read is an accurate report even though entirely favorable to its subject. Reporters must write what they find.

Mr. Aukofer's subject is the eminently fair and conscientious chairman of the House Committee on International Relations, the Hon. CLEM ZABLOCKI. The article appeared in the Journal of July 9 and contains tributes from several of our colleagues. It is a pleasure to submit this item for the benefit of readers who might otherwise miss it.

ZABLOCKI GETS PRAISE APLENTY

(By Frank A. Aukofer)

WASHINGTON, D.C.—If they ran honors programs for House committee chairmen, Rep. Clement Zablocki would be ranked summa cum laude.

The Latin phrase means "with highest praise" or "with highest distinction," both of which sum up the collective opinion of expert observers of Zablocki's stewardship as chairman of the House International Relations Committee.

After serving on the committee for more than a quarter of a century, the Milwaukee Democrat took over as chairman in January, 1977, at the beginning of the 95th Congress. In the 18 months since then, he has led the committee with a quiet competence that has earned him high marks everywhere.

Is more than a score of interviews with committee members and staff, Carter administration officials and outside observers, no substantial criticism emerged. Even Zablocki's severest critic, who tried to deny him the chairmanship, had no negative comments.

Such a paean worries a reporter, who frets over being accused of writing a puffpiece in hometown press. But reporters must write what they find.

At 65, Zablocki is at the peak of his congressional career. He is enjoying himself immensely, although he confided that if his wife, Blanche, had not died last year he might have retired at the end of this year.

"After 30 years, I thought Blanche and I should reap some of the benefits from the fat pension," he said. "Now I'm working for nothing. But I felt I owe it to the government."

With his reason for retirement gone, Zablocki talks about working as long as he can do a good job, as long as his health holds out.

There are drawbacks to the chairmanship—constant demands on his time, both during and after working hours—but Zablocki enjoys the prestige.

"Being the chairman of one of the most important committees is a great honor," he said. "I'm just human enough to like being called 'Mr. Chairman.' If they say I'm a good chairman it makes me very happy."

Indeed, Zablocki should be ecstatic. Consider the attitude now of Rep. Benjamin Rosenthal (D-N.Y.), a committee member who ran a determined campaign in late 1976 and early 1977 to prevent Zablocki from becoming chairman after the retirement of Rep. Thomas E. Morgan (D-Pa.).

As part of his effort to persuade the Democratic Caucus to reject Zablocki, Rosenthal published a 40 page indictment saying that, for a number of reasons, Zablocki was not qualified for the job.

PRAISE BY ROSENTHAL

But in a recent interview, Rosenthal said he could not even remember what the criticisms were. He said Zablocki was doing a competent, workmanlike job as chairman, had improved the committee staff and had been evenhanded in his treatment of committee members and the staff.

Moreover, Rosenthal said that Zablocki had not retaliated against him in any way. "I haven't seen any vindictiveness," he said, "although I wouldn't blame him if he had been vindictive."

Rep. David R. Obey, Democrat of Wausau, who also works on foreign affairs issues as a member of the foreign operations subcommittee of the Appropriations Committee, echoed that opinion, saying he did not think there was a vindictive bone in Zablocki's body.

Obey said he also admired what he said was Zablocki's total lack of demagogy or playing on popular prejudices for political gain.

Over and over, those interviewed about Zablocki's performance mentioned his fairness.

"I regard him as an unusually good chairman," said Paul Warnke, director of the Arms Control and Disarmament Agency, who has testified many times before the committee. "He's an extraordinarily fair minded man, which is important in foreign affairs."

LIKED BY NEWCOMERS

Zablocki's evenhandedness has extended to the Republican minority and to the newest committee members.

"He's first rate," said a Republican who did not want to be quoted by name. "He has a lot of experience, he's a fine human being, he's accessible and he's fair to everybody. Foreign policy is one area where we ought to be as bipartisan as possible. I think Clem really believes that."

Rep. Donald Pease, a freshman Democrat from Ohio, said:

"I have never felt in any way that I was a junior member. He doesn't talk status or length of service. One's comments or amendments are judged on the basis of merit, not on how long you've been on the committee."

Zablocki's operating principle as chairman is to do what is in the national security interest of the U.S. Although he does not always agree with the administration, he tends to give it the benefit of the doubt in foreign affairs matters.

That puts him at odds with some members, such as Rosenthal, who believe the committee ought to be more of an adversary of the president.

Zablocki is highly regarded by administration officials, who consult with him and respect his judgment on issues. Although most of the attention is focused on the Senate during the recent debate over Carter's sale of warplanes to Israel, Egypt and Saudi Arabia, the administration relied on Zablocki's reading of his committee.

GOOD JUDGMENT

"He really does have good judgment," said Brian Atwood, deputy assistant secretary of state for congressional relations, who works closely with the committee. "He feels things through. He knows where his committee and the House is on any given issue. Over the weeks as we fought that battle (over the warplane sale), his prediction was right on."

Atwood traveled with Zablocki earlier this year on his first trip abroad as chairman. Over a three-week period, a group of congressmen led by Zablocki visited seven Mideast countries.

"He did a fantastic job," Atwood said.

Zablocki is not regarded as an intellectual in foreign policy, nor is he a great orator. But most of those interviewed regarded that as an advantage, saying that intellectuals and orators tended to have ego problems, which Zablocki does not have.●

RESULTS FROM THE CITIZENS RESPONSE SURVEY OF THE FIRST DISTRICT OF ARIZONA

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. RHODES. Mr. Speaker, I would like to bring to the attention of all my colleagues in the House the results of the second citizens response survey from Arizona's First Congressional District. I am pleased to report that the 38,000 citizens of the first district who answered this survey have contributed to one of the largest responses ever received in any congressional poll.

Of special interest to both my colleagues in Congress and the inhabitants of 1600 Pennsylvania Avenue is the first district's rating of both the 95th Congress—that is, the one with the 2 to 1 Democrat majority—and the administration. I believe that one of Washington's most famous Congress-watchers,

Mark Russell, has given a clear insight into the priorities of this Democrat controlled Congress. "Congress earlier restored citizenship to Robert E. Lee, and made George Washington a five-star general. Which should give you an idea when we can expect an energy bill."

Now, I give you the opinions of the 38,000 citizens Arizonans who responded to the citizens response survey.

A. For some time a proposal has been under consideration for a freeway to connect with Interstate 10 through the center of Phoenix (so-called Moreland Corridor Freeway). These plans now call for a depressed freeway with parks and landscaping on the sides of the road. With this proposal in mind, would you favor the construction of such a freeway?

(1) Yes, I favor the construction of the freeway ---------- 74.9
(2) No, I do not want the freeway ---- 23.2

B. After the House passed the Equal Rights Amendment, the amendment had to be ratified by two-thirds of the states in seven years.

The seven years will expire in March, 1979. Legislation is now pending in the House to extend the ratification date an additional seven years. Do you favor this legislation to extend the ratification period for the ERA?

(1) Yes, I favor an extension ---------- 27.5
(2) No, I do not favor the extension -- 71.7

C. The role of the Federal government in providing health care services has been considered by the Congress for over 30 years. The 95th Congress has been no exception, and talk of a "national health insurance" program has received considerable attention. Do you feel the role of the Federal government should be to:

(1) Entitle all Americans to complete health benefits, federally financed and administered ---------- 11.9
(2) Be responsible for financing health care for the aged, poor, disabled, and persons experiencing catastrophic illness costs ---------- 23.5
(3) Provide federally financed economic incentives toward the purchase of private health insurance plans, such as income-tax deductions for health insurance benefits ---------- 18.7
(4) Require employers to pay for adequate private health insurance plans for employee groups ---- 4.2
(5) Avoid any further involvement in the health insurance/health care industry ---------- 24.2

D. On December 6, 1977, the House voted to ban federal funding of abortions with the following exceptions.

When the life of the mother would be endangered if the pregnancy were carried to term.

When the pregnancy results from rape or incest, and such rape or incest has been reported promptly to a law enforcement agency or public health service.

When severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term.

Do you support:

(1) A total ban on the use of federal funds ---------- 31.9
(2) Federal funding only under the conditions listed above ---------- 42.2
(3) No restrictions on the use of Federal funds ---------- 18.9
(4) Undecided ---------- 4.3

E. Do you favor further controls, registration, or licensing on firearms?

(1) Yes ---------- 29.0
(2) No ---------- 69.9

F. Legislation to reform the welfare system is being studied in Congress. What do you believe should be the major emphasis for welfare reform legislation?

(1) Change the present system of providing relief through many different programs, such as food stamps or housing assistance, to one flat cash payment ---------- 8.6
(2) Pay only the minimum wage to workers in public jobs ---------- 4.7
(3) Toughen the requirements for people who apply to receive welfare -- 71.4
(4) Leave the system as it is now ------ 2.9

G. The recent coal strike re-opened the debate regarding whether strikers should receive food stamp benefits. Do you feel striking workers should be entitled to food stamps?

(1) Yes ---------- 13.6
(2) No ---------- 85.2

H. Now only Americans who do not have access to private pension plans are able to set up tax-free Individual Retirement Accounts (IRAs). Do you believe that:

(1) The system should be changed, so that all Americans would be eligible for an IRA, whether or not they participate in another pension plan ---------- 60.6
(2) The system should be kept as it is, so that only Americans who are unable to participate in private pension plans are eligible for IRAs ---------- 35.7

I. Last year, the Administration began negotiating with Cuba to improve relations and end the trade embargo the United States imposed in the 1960s. However, negotiations have been suspended because Cuba has continued its military presence in Africa. What do you believe is the proper course of action in dealing with Cuba?

(1) Grant Cuba full recognition and halt the trade embargo ---------- 5.0
(2) Continue the negotiations, not linking them to Cuban aggression in Africa ---------- 9.1
(3) Before improving relations, insist that Cuba reduce its involvement in Africa ---------- 40.4
(4) Postpone the negotiations indefinitely ---------- 41.4

J. Congress is debating the pros and cons of financing Congressional campaigns with federal tax dollars. The fundamental issue of this complex legislation is whether or not the financing of Congressional campaigns by the federal government is a proper use of tax dollars.

(1) I do support the use of tax dollars to finance Congressional campaigns ---- 15.7
(2) I do not support the use of tax dollars to finance Congressional campaigns ---- 82.8

K. President Carter has been in office for over 15 months. How would you rate the performance of his Administration in meeting the challenges, both domestic and foreign, that confront our nation?

(1) Excellent ---------- 2.1
(2) Good ---------- 9.8
(3) Fair ---------- 23.5
(4) Poor ---------- 61.7
(5) No opinion ---------- 1.9

L. How would you rate the 95th Congress, which began in January 1977, in meeting the challenges that confront our nation?

(1) Excellent ---------- 0.4
(2) Good ---------- 5.5
(3) Fair ---------- 35.4
(4) Poor ---------- 53.8
(5) No opinion ---------- 3.8

Please indicate the issue you feel is most important.

(1) Inflation ---------- 41.8
(2) Unemployment ---------- 3.0
(3) Growing federal deficits ---------- 22.0
(4) Crime ---------- 4.1
(5) Soviet/Communist aggression ----- 6.8

●

THE RUSSIANS ARE COMING

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. DON H. CLAUSEN. Mr. Speaker, we hear a great deal these days about the declining strength of the U.S. Navy and the increasing strength of Soviet forces.

However, it is often difficult for my colleagues to assess the credibility of the reporter or individual making the judgment or analysis. We are all aware that relative offensive and defensive military capabilities are a very complicated matter, and it takes a real expert to accurately assess the true situation.

So that my colleagues may have the benefit of the observations and viewpoints of a real expert, I am entering into the RECORD a speech made by Rear Adm. Edwin M. Wilson, USNR, at his recent retirement ceremony. Admiral Wilson is a World War II naval aviator, and has served in the Naval Air Reserve as executive officer and commander of jet fighters squadrons and the air wing staff of the Naval Air Station of Alameda. He has completed 36 years in the Naval Air Reserve with duties as the west coast representative for the Naval Air Reserve.

But, Admiral Wilson's activities have not been confined to naval interests. He is also a Mason, a Shriner and a member of the Bohemian Club and the Commonwealth Club of San Francisco. He is currently an insurance broker in Santa Rosa, Calif.

His remarks follow:

It is great to look out and see some of my fellow naval aviators and officers from World War II. Especially from bombing eleven. We had some great times, some rough moments and we won World War II. The last war our military has been allowed to win.

It's nice to see so many of my fellow reservists. Especially those who were with me in fighter squadron 872, jet fighter squadron 878, the captain's study group, and the air wing staff.

For many years I have been telling organizations all around this country of ours, that the Soviets are coming. Why? Because we are their goal. Goals are strong motivation to dedicated persistent people. In our lifetime we have seen many goals achieved and we as individuals have achieved goals in our own lives. . . .

We got into World War II because we did not believe Hitler when he laid out his goals in Mein Kampf, and which he almost achieved.

It is amazing to me that with all the communist's writings and manifestor's spelling out how they are going to take over the world, people doubt their goal and don't recognize their moves and progress in achieving that goal. You and I must be determined to stop them. Destiny has made the United States the leader and final hope of the free world, and only 20 percent of the world's population is free. We are also the last hope of religions of the world. Should the communists continue their fantastic progress, they will not only eliminate freedom in the world but also all religions. As the gospel hymn goes, you, and we in the armed forces are not only fighters for freedom, we are indeed Christian soldiers, as well as soldiers for all religions. I firmly believe that a "showdown" with the Soviets is inevitable. No

empire or country has ever built a war machine as large as the Soviets, not even Hitler, and not eventually use it. We must prepare for the worst and hope for the best.

What is the position of the United States Navy in our 202d year? In spite of vast technological advances we are threatened now by the Soviets as we were threatened by the British over 200 years ago. In a world covered 75 percent by navigable water we are an island nation with 69 of our 72 strategic materials coming from overseas. One of those materials is oil and we must import 50 percent of our needs in order to survive as a modern industrial society.

With the Soviets operating over 335 submarines, and over 100 in reserve, they are in a powerful position to cut supply lines and effectively blockade the free world ports. They have 435 subs, we have 118. Just remember World War II and what the German subs did to us and they started with only 55 slower, smaller subs.

Only our Navy can protect, and keep open the vital sealanes of the free world.

Yes, sea control is our Navy's No. 1 mission, with the overseas protection of power our second.

Can we accomplish those two missions? It will be difficult as our Navy is being scuttled. In 1968 at the height of the Vietnam war we had 976 ships. We now have 485. We have less ships than we had in 1939. At the end of World War II we had 119 aircraft carriers. We now have 13. It takes 6 to 8 years to build a modern warship, so, we cannot sit back and think, that should the need arise, we can produce them like transistor radios.

While we decommission ships, the Soviets commission them. The English editor of Jane's Fighting Ships charges that the growing Soviet fleet "has outrun the legitimate requirements of national defense" and must be considered "intended for aggressive action." He pointed out that the Soviet Union has spent 50 percent more than the United States on shipbuilding in the past 10 years.

Admiral Sergi Gorshkov, commander in chief of the Soviet Navy for 20 years says, "The flag of the Soviet Navy now proudly flies over the oceans of the world. Sooner or later the U.S. will have to admit that it no longer has mastery of the seas." So, they're not looking for parity but for domination.

The motto of the Pearl Harbor Survivors' Association should be tattooed on our brains, "Keep America Alert . . . Remember Pearl Harbor?" Major General Frank Schober, commanding general of the California National Guard, told a Commonwealth Club of California audience. "If we don't turn around American understanding of where we are going in national defense, the United States stands a good chance of becoming a 'Finlandized' satellite of the Soviet Union within ten years."

Our Navy needs more men, ships and planes to meet this challenge. As mentioned before, 75 percent of the world is covered by navigable waters. We need more aircraft carriers, for aircraft carriers are absolutely necessary to protect sealanes, and to be Johnny-on-the-spot in trouble areas. Our carriers have fighter, attack and anti-sub aircraft for full sea control. Our strategy is based on moving quickly from one location to another, and to be able to exert power with our aircraft to support amphibious landings, "to sink" enemy submarines and to maintain air superiority for the preservation of naval surface ships, troops ashore, and allied merchant ships. An aircraft carrier is an instant airfield—no construction or base supplying is required. Aircraft carriers are expensive, but not as costly as overseas air bases.

Those bases are fixed targets and are subject to political and military vulnerability. We ended World War II with 1100 costly major overseas bases. Now, we're down to less than 40 in 53 years or crises since World War II, we have not lost an aircraft carrier nor have we had one damaged by hostile action. Only our own misguided politicians have done what the Communists dedicated to world domination have not been able to do, and that is to remove most of our aircraft carriers from the seas. As I mentioned before, we had 119 aircraft carriers at the end of WW II and now we have 13. Aircraft carrier critics say our aircraft carriers are vulnerable to surface-to-surface missiles. They have to be less vulnerable than any shore based fixed target or airfield which can be programmed into the missile—you cannot program a moving target. Will there ever be a better missile than the World War II Japanese Kamikaze pilots and planes? Yet not one fleet carrier was ever sunk during World War II by Kamikazes. Today our carriers are heavily protected by surface ships, attack submarines, aircraft, electronic countermeasures and missiles, and are moving targets. The new aircraft carriers have 2000 water tight compartments. The supercarrier Enterprise, during accidental explosions on the flight deck, took the equivalent of 8 to 9 surface to surface missiles and could have landed aircraft the next day. Our carriers now have steel decks instead of the World War II wooden decks. We now have only jet fuel aboard which is must less volatile than aviation gas. Bear in mind, that for eight years, our carriers operated off Vietnam within striking range of the enemy, yet no aircraft carrier or a plane aboard was damaged by enemy action. At the same time, 400 U.S. planes were destroyed and 4000 were damaged on South Vietnamese air bases, and we have now lost every expensive airfield we built there.

Obviously carriers are not so vulnerable, as the Soviets are now building them, and, even if carriers were vulnerable we should have more of them because they are absolutely necessary for our survival.

A positive plus for national defense is our naval air reserve. We now have the same aircraft flown in the fleet. Our squadrons, wings, and air groups are fleet size. For the first time since World War II the regular Navy allows our Reserve squadrons to operate from carrier decks. We are ready for any emergency, but need more men and women as does the regular Navy. Our Navy needs individuals of the highest caliber to operate, maintain and support its sophisticated ships, aircraft and electronic equipment. Today's Navy offers job opportunities which are not only unique and challenging, but offer true job and professional satisfaction. The bicentennial brought us a resurgence of patriotism and pride in our country. Service in our Navy can demonstrate an unequaled patriotic commitment to the survival of our United States. So we should individually encourage young people to serve in the Navy and give Navy recruiters referrals.

It is hard to believe but we spend 3 times more to support people on the welfare rolls than we spend for all our worldwide military commitments. The cost of our new cars and repairing old cars is a great as our whole military budget. We now appropriate more money for the Health, Education and Welfare Department than we do for national defense, and bear in mind, when the Soviets strike we won't be able to stop them with food stamps. As a sage long ago said, "If a nation does not choose to support its own military establishment, that nation might be forced to support that of its enemy."

Unfortunately, this could happen to us.

A FEW PERSONAL REMARKS

To be a naval aviator has to be one of the most challenging, exciting, and rewarding experiences a man could ever desire. It certainly has been for me.

Only those who have had their Navy Wings of Gold put on for the first time can really appreciate the thrill and satisfaction of that great moment. For me that momentous day was 36 years ago and my pride in my Navy Wings has never diminished. Nor has my admiration for my fellow naval aviators.

As I conclude my naval air career I will borrow and change a line from that great American, General Douglas MacArthur.

We should steadfastly dedicate ourselves to the defense of our great country and our freedom. To accomplish this great purpose we *must* support, strengthen and perpetuate the Navy Air Corps, the Navy Air Corps, the Navy Air Corps, the Navy Air Corps.●

LEUKEMIA DEATHS

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. MARRIOTT. Mr. Speaker, on Thursday, July 20, the House Interior Energy and Environmental Subcommittee, of which I am a member, will begin markup on legislation to clean up 22 radioactive uranium tailings piles in the United States, 3 of which are in my home State of Utah. These sites, the most hazardous being the "Vitro" site in the heart of Metropolitan Salt Lake City, are tragic souvenirs of America's infant days of nuclear development when the potential hazards posed by waste material from uranium production were unknown if not actually ignored.

The Federal Government had contracted with now defunct private operations to produce uranium from ore in the 1950's and 1960's. Now, years later, we discover that the leftover tailings are themselves still radioactive, emitting a known cancer-causing gas, radon, which may already be responsible for the loss of human life.

The legislation I have introduced calls on the Government to clean up the mess they have caused. In prior hearings, the Government has accepted the responsibility and we will be working out the details of the remedial action this week.

But as a striking example of the seriousness of the problem, I offer my colleagues the following article from the Washington Post on Sunday, July 16, 1978 written by reporter Bill Curry:

[From the Washington Post, July 16, 1978]

A SMALL UTAH TOWN AND 4 LEUKEMIA DEATHS—VICTIMS LIVED NEAR URANIUM 'TAILINGS' PILE

(By Bill Curry)

Monticello, Utah.—It takes only a minute to drive past the houses here, where the four leukemia victims lived; they're all just a few blocks from each other.

Una Manzanares, 12, was the first to die, Gail Barber, 11, the last. In between were Renae Heaton, 7, and Alan Maughan, 16, the captain of the high school basketball team.

They all lived within a half-mile of the old mill where the Atomic Energy Commission for 11 years processed uranium ore for nuclear weapons. The mill put enough junk in the air, local residents say, to dirty the wash hanging out to dry, enough to corrode the chrome on automobiles and enough to literally dissolve the screens in house windows.

All in the national defense, all to keep other nations at bay with the threat of nuclear death. But some residents here say that when the threat became an actuality, it occurred here in Monticello, where in the 1960s a mysterious incidence of leukemia

took four young lives in a town of 1,900 and left a former resident now living in Salt Lake City battling for his life against the disease. Statistically, there should have been only one case in 25 years.

"He was exposed to radiation somewhere or some way along the line," says Alan Maughan's father, Dale, as he cruises the quiet streets at the foot of the San Juan Mountains in southeastern Utah and points to the houses of the victims.

"If I hadn't moved here to Monticello, my boy would still be alive," he says of his move from Logan, Utah. "I firmly believe that."

Instead, Alan died of leukemia on July 5, 1966.

The mill is gone, closed in 1960. Gone too are the days when it sent readings of highly dangerous radium in South Creek to more than two times the acceptable levels and gamma radiation levels along the edges of the mill site up to 20 times those of the surrounding area.

But such facilities as this are not a matter of bygone concern, for the mill's radioactive wastes, called "tailings," remain—as they do in bizarre fashion elsewhere in the United States. In Salt Lake City, where an abandoned mill still spreads radiation across the landscape, a firehouse built on fill matter of uranium wastes is so 'hot" it would be declared hazardous and closed if it were a uranium mine.

In Grand Junction, Colo., more than 600 buildings built on such fill have construction crews airhammering basements and house slabs to remove radioactivity. In Canonsburg, Pa., 120 industrial workers have been exposed to one form of radioactivity from the wastes under their buildings.

So the off-orange and dead grass on the old uranium mill site here in Monticello is only a marker similar to those elsewhere in the country. In all, the U.S. government has identified 22 locations which, like Monticello, saw the grinding, crushing and extracting of uranium for national defense and remain today as toxic repositories of radioactive leftovers of the atomic age.

Their presence, and those of some 30 other former nuclear facilities, has put uncounted thousands of unwitting people nationwide on an atomic fault line, not knowing when or whether tragedy may rock their lives. Some 5,000 people in South Salt Lake City alone live within what is generally considered the danger zone of a uranium processing site—a half-mile.

There, 100 acres containing millions of tons of uranium tailings stand as a monument to the now-defunct Vitro Chemical Co.'s uranium processing facility. The Won-Door Co. next to the site recently has even abandoned its three-structure manufacturing facility to escape the health threat from the mounds of uranium waste piled up next to the buildings.

Heightened concern over these uranium mill sites comes at a time of new awareness of the delayed but potentially fatal effects of exposure to small amounts of radiation considered acceptable years ago.

For example, the U.S. Department of Health, Education and Welfare was recently directed to oversee a broad study of civilian and military personnel involved in the nation's atomic bomb tests after a startlingly high number of soldiers at a 1957 test developed leukemia.

HEW is also expected to undertake soon a major reopening of a long-completed study of thyroid abnormalities among southwestern Utah schoolchildren exposed to radioactive fallout in the 1950s bomb tests. The original study concluded there was no increase in the abnormalities, which can lead to cancer, but officials now fear that enough time had perhaps not passed for all abnormalities to become apparent.

The Washington Post recently reported that residents in southwestern Utah and northwest Arizona blame the nuclear tests for a continuing incidence of leukemia and cancer among longtime residents.

And yesterday, health officials in Salt Lake City began examining firemen long exposed to radiation from five feet of fill hauled in 20 years ago from Vitro.

The firehouse, where about 60 people work, is the one that is so "hot" with radiation that if it were a uranium mine federal mine safety officials would close it as hazardous. Three towns in southern Utah were studied in 1967 by federal health officials for unexplained increases in leukemia. Findings were inconclusive. Some areas of the firehouse, generally the living and sleeping quarters, record five times the amount of allowable radiation that uranium miners are permitted to be exposed to.

And last week Colorado state health officials were in Grand Junction, Colo., in an effort to determine whether leukemia—occurring at twice the expected rate and concentrated in the elderly—is at all related to the old uranium processing operation there or to the extensive use of its radioactive remnants as fill matter in construction projects in Mesa County.

"We asked the powers-to-be, and he said there were no qualms—the AEC wouldn't let them [give out fill] if it wasn't safe," says Soren Sorensen of Grand Junction, remembering the days in 1966 when he obtained 10, 10-ton truckloads of uranium wastes from the old Climax Mill for the home he was building. "I called the AEC and they said there was no problem."

Seven years later, the fill under his house was removed in a federal and state-funded program that evolved from fear of the possible long-range health effects of the radioactive sand that Sorensen and others had used to level their lots.

"I kind of got scared over the deal," George Biggs said of the tailings that were under the front part of his house. The Biggs family wonders whether the radiation was related to the breast cancer of Mrs. Darlene Biggs.

"You don't know," said George Biggs. "But the quicker the tailings were gone, the better I felt. [The radiation] was pretty high, especially right in that corner"—he points to where a visitor is seated—"where the wife always set. That's why we thought maybe it caused the cancer."

All told, 6,000 structures in Grand Junction have uranium tailings deposits not counting the streets and sidewalks. G. A. (Bud) Franz, a senior health physicist with the state health department there, says some 650 buildings have been recommended for removal of the radioactive wastes.

In some houses, he said, residents were receiving as much radiation beyond normal as they would if they were to get two or three unnecessary whole-body X-rays a year.

Some $12 million is expected to be spent for the removal of the radioactive tailings in the Grand Junction area, three-fourths of the money provided by the federal government and the rest by the state.

Rep. Dan Marriott (R-Utah), citing past federal "neglect" in management of uranium mills and waste disposal, says a "serious health hazard" now exists in Salt Like City near the Vitro wastes and elsewhere in the country.

The health threat can be either overall radiation to the entire body or from radon gas that deposits radioactive particles in the lungs and can cause cancer there.

Here in Monticello, the old uranium operation was owned by the AEC, which processed ore from 1949 to 1960. The ore was trucked in from mines around the area and stacked in mounds in an open field. After processing, the radioactive leftovers were returned to the field, and the winds, predominantly from the south, carried to the north—where all of the leukemia victims resided.

Jon Lee's mother, April grew up in the south sector of town, right on the edge of the uranium operation. Although her son was born in 1964—after the mill had been closed and radioactive tailings covered with dirt—she believes his leukemia is somehow related to her exposure over the years to the radioactive uranium site.

Now, 16 Jon, who used to live around the corner from Alan Maughan and now is a Salt Lake City resident, has been fighting leukemia for eight years, althought he was once given only two years or so to live.

But the other four leukemia victims have long been gone, youngsters who spent most of their brief lives growing up so close to the uranium mill.

So unusual were their deaths that federal health officials investigated them in 1967.

Although all of the children had leukemia that can be associated with radioactive, "no relationship" was found with the uranium mill, Dr. Glyn Caldwell, a cancer specialist with the Center for Disease Control, quoted from a final report on the deaths.

Caldwell acknowledged, however, that the investigation focused on viruses then thought to spread cancer.

Monticello was one of three southern Utah towns examined in 1967 for unexplainable increases in leukemia, Caldwell said. The other towns were Parowan and Paragonah in the southwestern part of the state in Iron County, which along with Washington County, was subjected repeatedly to nuclear fallout from atomic testing in Nevada in the 1950s.

Parowan and Paragonah, with a combined population of 1,800, experienced four cases of leukemia from 1956 to 1967, two to three times the expected rate, Caldwell said. As in the case of Monticello, findings in those two towns were inconclusive.

So today the doubts and fears expressed by relatives of the Monticello victims remain over what impact the processing of uranium for nuclear arms has had on this town. "For a place this small," said Dale Maughan, "there had to be something." ●

SWAPPING LIFE INSURANCE POLICIES

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. LaFALCE. Mr. Speaker, academics who have been studying life insurance have found case after case where it may be advantageous to cash in an old insurance policy and replace it with a new one, with a resulting savings of many thousands of dollars.

As a recent article in the July 1978 Money notes, a careful comparison between the existing policy and other policies must be undertaken. Such an analysis would include comparing costs, which should take into account both premiums and dividends, as well as the annual buildup of cash values. A thorough analysis may disclose that in some cases a "savings" doesn't begin for a number of years; however, the ultimate savings may be dramatic.

If comparative costs do warrant switching, passing the medical examination for the new policy is imperative before dropping the old policy. Further, bear in mind that most policies provide that during the first 2 years the policy is voidable if the policyholder has made untrue statements, and no benefits are payable in the event of suicide.

In all events, the article does underscore the need to evaluate existing in-

surance policies in order to assure that the consumer is receiving the most for his premium dollar. The article follows:

[From Money, July 1978]

HOW TO SAVE $7,000 ON YOUR LIFE INSURANCE

INFLATION HAS TURNED MANY POLICIES INTO BAD BARGAINS. WITH A LITTLE PATIENCE YOU CAN FIGURE OUT IF YOURS IS AMONG THEM—AND WHAT TO DO ABOUT IT

(By Joseph S. Coyle)

Swapping life insurance policies is one of the few things insurers and consumer advocates have long agreed about. Their advice: don't do it. It exposes you, they point out, to the predatory practice called "twisting"—when an agent interested only in his commission persuades a policyholder to make a costly switch. With cash-value life insurance, commonly called whole life, you probably have so much invested in the front-end load—the agent's commission plus insurance company overhead—that dropping out and starting over would be prohibitive. And since you're older than you were when you took out your existing policy, the premiums on a new one would probably be higher and the medical exam might be tougher to pass.

Now, however, academics who study life insurance are turning up case after case where cashing in a policy and replacing it with a new one—even if it's exactly the same type—can save many thousands of dollars. It's often not easy to dig up the data you need to make valid comparisons, and even on close examination many old policies will turn out to be just as good a buy today as when you took them out. But in more and more cases, the payoff is well worth the trouble. Reason: inflation has driven up the return that insurance companies get on their investments, thereby allowing them to charge lower premiums and hand out higher dividends than they could have otherwise.

A 100 PERCENT IMPROVEMENT

For example, William Scheel, an associate professor of finance at the University of Connecticut, found that a policyholder could get amazing results by dropping a 15-year-old $50,000 Travelers whole life policy, replacing it with a Northwestern Mutual Life policy and putting the cash surrender value of the old policy in a savings account at 5 percent interest. After 20 years, he would have accumulated $72,421 in death benefits plus savings, instead of only $55,239 if he held onto the old policy. In 40 years, the difference would be nearly two to one—$109,488 vs. $55,451.

Scheel and others believe that such situations abound, particularly—as in this case—when the existing policy pays no dividends (a "nonparticipating" policy) and the replacement does. The huge difference in total benefits in Scheel's example comes primarily from the dividends paid out under the new policy, which grow steadily over the years. The compound interest that accumulates on the proceeds of cashing in the old policy makes the switch even more beneficial. (One caveat: these particular results apply only to the two policies studied, and not to any other policies of the two insurance companies involved.)

What makes life insurance so eminently swappable are the enormous disparities in its pricing. Costs of similar coverage can vary as much as 400 percent. Tempting as the possible savings may be, however, the would-be switcher confronts a fog of diversity—in dividends, premiums, cash values and other policy provisions, not to mention the variety of policy types. Premiums taken alone are misleading: two seemingly identical policies may have vastly different net costs—figures that take into account premiums, dividends and cash values—because one insurer gets a higher rate of return on investments, or retains less for expenses or profits, than the other. Policies that do not pay dividends have lower premiums than those that do, but they're usually more costly in the long run.

Scheel and other industry critics are fired up by two things. First, inflation has brought such significant cost changes in life insurance that the chances to replace old policies advantageously have multiplied in recent years. Second, there's a new tool—a system of indexes—that can help you make cost comparisons between old and new policies for the first time.

Because term insurance, the other most common form of life insurance, is pure protection, it builds up little or no cash value and dividends, if any, are fairly small. So inflation isn't a factor that's likely to make a new term policy more attractive than an older one. Term and whole life have different advantages and drawbacks, and if you're considering switching from one to the other, you can use the cost-analysis techniques to take a hard look at your existing coverage.

INFLATED RETURNS

Scheel and his allies point to one of inflation's most prominent byproducts—high interest rates—as the underlying reason why many older whole life policies are no longer competitive. Says E. J. Moorhead, a veteran actuary who is now a consultant to the Federal Trade Commission: "Ten years ago many companies were earning 4 percent or so on their investments, but today it's more like 7½ percent." This higher return is the result of inflation's impact on the interest rates of the bonds that insurance companies invest in so heavily. That tends to translate into lower premiums and higher dividends on newer policies.

Nor are replacement aficionados cowed by the high initial costs of frontend-loaded policies. They argue that a cost-conscious consumer should be concerned only with future outlays since that is where savings will come from anyway. At times, too, the cash surrender value of an existing policy can help make a swap especially attractive.

Before you delve into the shifting masses of figures involved in policy-to-policy cost comparisons, you can check your policies for several symptoms that suggest a switch may be in order:

If the policies a company is currently selling are relatively high in cost, chances are its older ones are too. One increasingly popular device for comparing new policies is an "interest-adjusted index," which translates dividends, premiums, cash values and what your money could be earning elsewhere into one number reflecting cost per $1,000 of coverage The lower the number, the better the buy. Any insurance company can supply such index figures for its policies. You can also consult Interest-Adjusted Index, published yearly by the National Underwriter Co., or the annual Best's Flitcraft Compend. Many agents and large public libraries keep one or the other. The New York State Insurance Department offers free its highly regarded Consumers Shopping Guide for Life Insurance, which also compares many policies by the interest-adjusted method. (Write to Publications Unit, New York State Insurance Department, Agency Building, 1 Empire State Plaza, Albany, N.Y. 12223.)

Nonparticipating policies bear close scrutiny. Since they pay no dividends and therefore provide no easy way for insurers to sweeten benefits, they tend to suffer most from inflation.

If you carry more than $50,000 of whole life, "you're a prime candidate for replacement," Scheel asserts. "This doesn't mean that you should automatically switch to term policies, though. You can replace some existing whole life policies and still save a lot."

If you have accumulated a number of small policies with face amounts of $10,000 or under, you are probably better off consolidating your coverage.

Companies that have trouble holding onto policyholders are likely to have more expensive policies, because high lapse rates cost insurers money. Best's Insurance Reports, an annual publication available in public libraries, ranks insurance companies on the basis of lapse rates, among other things.

If you detect any such signs that your life coverage is a loser, it may well be worthwhile to take the trouble to compare your present policy with a possible replacement. This involves collecting data from both insurance companies and working up a cost index based on the interest-adjusted method. While some ambitious policyholders may want to do all this by themselves, an agent looking for new business is your likeliest collaborator.

You start by writing directly to the home office of your present insurance company for the first half of the comparison information you will need. (The address is usually on the first page of your policy.) For a whole life policy, the request letter might read like this:

I wish to decide whether to continue my insurance under policy [give the policy number] or to replace it. Please provide me with a statement showing year-by-year information for the next 20 years on:

1. Regular policyholder dividends and terminal dividends. [Omit this line if the policy pays no dividends.]
2. Cash surrender values.
3. Premiums, excluding the charge for guaranteed-issue rider and accidental-death benefits, if any.
4. Death benefits, excluding accidental-death benefits, if any.

Also please give me a statement of:

5. Current cash surrender value of paid-up additions or cash value of dividend accumulation.
6. Current balance of policy loans. [Omit this if there are no outstanding loans.]

It's vital to make clear that you're considering replacement. According to Scheel, one large insurer regularly disregards requests for such information until it has received three letters from a policyholder; then, unless it is convinced that its policy is in jeopardy, it replies that the work involved in complying would be too costly.

The next step: finding an insurance company whose policies are attractively priced. The three volumes mentioned above—"Best's Flitcraft Compend," "Interest-Adjusted Index" and New York State's "Consumers Shopping Guide for Life Insurance"—are good sources.

Once you have picked an insurer, call its local agent and tell him you are considering replacement. Tell him how much coverage you need, and that you will require an interest-adjusted cost comparison between your policy and the one he will propose. (Using interest-adjusted cost instead of some other basis, such as the traditional "net cost" or "ledger cost," is critical in order to take into account the interest your premium dollars would be earning if you invested them elsewhere at 5 percent.)

The agent you call may never have done what you are asking for—a comparison of the cost of a policy already in force with that of a proposed replacement. Or he may protest that the competitive information needed would be too hard to get. He may well come around, however, when you tell him you have the information for your present policy—including projected ("illustrated," in industry jargon) dividends, which are probably the toughest thing to pry loose from an insurance company. If the agent is unfamiliar with the interest-adjusted method or denigrates it, find another agent. When you give the new agent the data sent to you by your original insurer, insist that he in turn go to his home office for the data he

will need to complete the comparison; that is the only reliable source of projected dividends.

Now you or your agent will be able to do a cost-comparison analysis. To show how this works. Money asked Scheel to construct an example. He chose an existing nonparticipating special whole life policy issued in 1973 to a 35-year-old man by Citizens Life & Casualty. The candidate to replace it was a dividend-paying whole life policy to be paid up at age 90 offered by Northwestern Mutual Life. Both are $25,000 policies.

Scheel calculated the policyholder's interest-adjusted outlay on each policy to date and then extended this number annually for 20 years. For each year, he added the previous year's cash outlay to that year's premiuum and multiplied by 1.05 (the 5 percent interest adjustment); then he subtracted that year's dividend. In the first year's calculation for the old policy, he added the cash surrender value to the premium.

The proposed Northwestern Mutual policy has a premium of $609 and regular annual dividends of $59.75. So the premium multiplied by 1.05 minus the dividend equals $579.70—the interest-adjusted outlay for the first year. And so on, out to 20 years for each policy. Then he made the crucial calculations to arrive at what he calls the surrender cost index. For each year, he subtracted the cash surrender value from the interest-adjusted outlay.

The lower the surrender cost index, the better. In the case of the two sample policies, the replacement would start saving you money after five years and have a net cost after 20 years that is $7,178 lower than the old one ($4,326 vs. $11,504). This is one reason for doing the arithmetic for more than a year or two; for the first four years, the switch would not yet make economic sense. Like wines, some policies improve with age and others turn sour.

Scheel believes that using a second index along with the surrender cost index yields an even better idea of what you stand to gain or lose by swapping. While the surrender cost index probes savings, the other one—called the death benefit index—shows how much of the money that your beneficiaries get is the insurance company's and how much is what you paid in. To arrive at the death benefit index, you simply subtract your net outlay to date from your policy's face value.

In the Scheel example of the two $25,000 policies, the replacement policy offers a better protection deal from the start. After 20 years, with the old policy, you would have put up nearly $23,000 for $25,000 of coverage, with the replacement, only $13,500 is your own money—a difference of nearly $10,000. When you have to put up a lot more money to get the same protection, you could either be getting more protection for your money or cutting your costs. (For a more detailed guide that will help you and your agent make cost comparisons, send a self-addressed envelope with 30 cents worth of stamps to William Scheel, School of Business Administration, University of Connecticut, Storrs, Conn. 06268.)

AN AVENGING ANGEL

Once the replacing agent has produced the surrender cost index for both policies, it is a good idea to let the agent who sold you your old policy take a look at it. He may well assume the pose of an avenging angel, since many successful whole life agents consider replacement heretical and dangerous. This righteous indignation should help expose any flaws in the replacing agent's proposal.

Now you can decide whether it's worthwhile to replace your old policy. Sometimes the cost evidence is so clear and substantial that there is no real question whether to jump or stay put. Sometimes one policy outperforms its competitor during certain years but not in others. If you are clear about your basic insurance needs and aims, deciding should be no real problem.

If you do come down on the side of switching, bear in mind some procedural matters that can be critical. Make sure that you have passed the medical exam for the new policy before you drop the old one. Otherwise you may wind up uncovered or paying premiums that will make your trashed policy seem like a bargain in retrospect. Also, remember two important provisions that apply during the first two years of most policies: the insurer can void the contract if the policyholder made statements that turn out to be untrue, and no benefits are paid in case of suicide.

Before long it may get easier to obtain the information you need to compare policies. Critics are drawing a larger and larger audience for their complaints that consumers are wasting millions on expensive life insurance policies because they have no easy way to compare costs. The Federal Trade Commission has a study on cost disclosure under way. Some state insurance commissioners are considering a requirement that both the replacing and the existing insurer supply consumers with certain cost information. And insurance companies pushing bargain-priced term policies are drumming hard on cost comparisons.

The underlying target—more and more vulnerable as inflation puffs on—is the savings element in cash-value life insurance. "Do consumers realize that the average yield on their savings is zero, or even negative, if the policy is surrendered within the first 10 years?" FTC chairman Michael Pertschuk asked at a recent symposium on consumers and life insurance in Washington. "Are they aware that even after 20 years, the average yield is only about 2¼ percent to 3½ percent?"

IN TURBID WATERS

At the same meeting, Gordon Gaddy, president of Fireman's Fund, an insurance company, suggested that some big insurers with billions of dollars of whole life policies on their books may have to bite the bullet and provide a massive upgrading of benefits for these older policies in order to make them more competitive and less vulnerable to replacement. "Whole life was fine before inflation," moaned Roy Anderson, an Allstate vice president and a beleaguered whole life spokesman at the same meeting.

The new comparison techniques make clear that there's plenty of room to save money by swapping one whole life policy for another. Yet at present it is plainly asking too much to expect most consumers to negotiate such turbid waters. Making it easier for them to compare costs could mean a new lease on life for whole life.●

BALANCE(S) OF POWER SERIES, BOOK III(A)(i)—NATO'S CENTER CORE

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. BRECKINRIDGE. Mr. Speaker, as I have explained previously in my July 10, 1978, CONGRESSIONAL RECORD statement, book III of my "Balance(s) of Power" series features developments in the different areas of the world which are potentially damaging to U.S. security interests, specifically in competition with those of the Soviet Union. Nowhere in the world do U.S. interests face a more clear and credible threat than across the NATO-Warsaw Pact boundary.

In book I of the series, appearing in the CONGRESSIONAL RECORD from March 1976, to December 1977, our relative position in Europe was shown to be in decline. This trend is detailed impressively in the following selection from the Armed Forces Journal International, June 1978, entitled "NATO's Lost Decade." It is attributed to Justin Galen, pen name of a former senior Department of Defense civilian official. The first part of the article follows:

HOW THE UNITED STATES GAVE THE WARSAW PACT A SURPRISE ATTACK CAPABILITY

The U.S. is seriously debating NATO's vulnerability to a Warsaw Pact attack for the first time in nearly a decade. Members of the Senate as diverse as Sam Nunn and Gary Hart have written thoughtful discussions of NATO's vulnerability to a Warsaw Pact surprise attack. Military experts like Lt. General James A. Hollingsworth have completed extensive studies of NATO strengths and weaknesses. General Alexander Haig has gone far beyond the usual cliches in seeking improvements to NATO forces.

The FY 79 Posture Statements of the Secretary of Defense and Chairman of the Joint Chiefs provide dramatic new frankness regarding NATO's problems. Secretary of Defense Harold Brown's annual report is particularly striking. It completes the shift in U.S. thinking begun in Secretary Rumsfeld's FY 1978 Posture Statement, and for the first time in a decade, states that the Warsaw Pact has a major capability for surprise attack.

"The most dangerous contingency would be an attack on NATO by the Warsaw Pact . . . and it could be undertaken by ready forces already deployed in Europe as well as these forces after having been heavily reinforced, in a matter of weeks, from the U.S.S.R."

Other analysts and commentators have begun to address the risks inherent in the Warsaw Pact build-up. Virtually all, however, have focused on the changes which have taken place on the Warsaw Pact side of the balance. Few commentators have discussed the trends in NATO which also contributed to the current increase in Warsaw Pact capabilities. As a result, many analysts have overstressed the extent to which the changes in the Warsaw Pact threat should be viewed as provocative or as a demonstration of hostile intentions.

An examination of NATO's historical assessment of the threat, and how this assessment has influenced NATO strategy, makes Soviet and Warsaw Pact actions seem less provocative, and indicates that the build-up of Warsaw Pact "surprise attack" capabilities tells little about Soviet intentions. At the same time, such a history reveals serious weakness in NATO's strategy and force structure.

These weaknesses in NATO are, if anything, more dangerous than a unilateral Soviet build-up because they have been self-inflicted, and because they are largely the responsibility of the United States. It is far easier for an Alliance to react to an outside threat than to deal objectively with its own shortcomings and failures. Above all, it is far easier to "cry wolf" at the Warsaw Pact, than to admit that NATO's failure to modernize its strategy and force planning have made a major contribution to NATO's vulnerability.

"SURPRISE ATTACK" BEFORE THE M'NAMARA ERA

During its first fifteen years of existence, NATO slowly shifted from initial force goals for the "Center Region" of nearly 100 divisions to roughly a third of that force. In the process, NATO came to rely on a "shield" of regular forces which formed a "tripwire"

which would launch NATO's "sword" of "theater" nuclear weapons. In short, NATO gradually shifted from strategy designed to defend by matching Soviet and Warsaw Pact forces in active military strength, to a strategy of deterence which relied on a screening defense by interior NATO forces and the threat of nuclear war.

As might be expected, however, U.S. and NATO military officials fought each of the incremental reductions in NATO's force goals, and every shift away from war fighting capability to a reliance on deterrence. By the early 1960s, this resistance had taken a form that created critical problems for the U.S. and its Allies. SHAPE, and the then co-located U.S. command headquarters in Europe, had begun to assess the threat, and approach force planning, in a way that "halted any useful effort"?

MAKING THE RUSSIANS TEN FEET TALL

SHAPE produced highly exaggerated estimates of the threat as a justification for setting high NATO force goals. It used such exaggerations of the threat to maintain and increase NATO forces, and as a rationale for maintaining NATO's unity of command. In the process, SHAPE set impossibly high force goals for each member country to meet an impossibly high estimate of the threat. No member nation had the political support to budget the forces SHAPE "required," and the vast gap between NATO force goals and national reality made the improvements which nations could fund seem militarily unimportant. Thus, SHAPE's assessment of the threat had the effect of paralyzing any serious effort to create an effective defense which the forces member nations could fund.

DEMANDING COMBAT READINESS OR NOTHING

Yet, the SHAPE assessment of the threat was highly biased. For all practical purposes, SHAPE assumed that Warsaw Pact forces were fully combat ready.

SHAPE focused its attention on keeping the level of NATO combat ready or "M-Day" forces as high as possible. SHAPE treated member country reserve or reinforcement units as "failures" to meet NATO force goals. It virtually ignored unit quality in emphasizing unit numbers, and assigned the same high priority to all force improvements.

This SHAPE emphasis on M–Day forces and on unit numbers crippled any practical effort at force planning.

THREATENING SUICIDE TO PREVENT MURDER

SHAPE then tried to meet the growing gap between its force goals and the actual size of the forces member nations would provide with the threat of theater and strategic nuclear retaliation. It did so long after the growing strength of Soviet nuclear capability began to make such threats both dangerous and unrealistic.

With the best intentions, SHAPE and many member military staffs gradually froze their thinking around an inflexible effort to threaten member nations into doing the impossible. The result was a sense of decay and futility, and a growing division between the NATO military and its civilian masters.

THE M'NAMARA REACTION

Secretary McNamara reacted to this situation almost immediately after taking office. The SHAPE position conflicted sharply with this new "system analysis" approach to NATO planning, and it froze the new initiatives he wished to take in NATO. McNamara directed his analysts to make an independent assessment of the threat.

The result was that McNamara's analysis of the threat differed completely from SHAPE's assessment. It concluded that Warsaw Pact forces had critical weaknesses and could only attack after substantial mobilization and full reinforcement from the Western U.S.S.R. This conclusion was based on three major weaknesses in Soviet and Warsaw Pact capabilities:

1. U.S. STRATEGIC AND THEATER NUCLEAR SUPREMACY

The level of political and military deterrence in Europe was then so high that there was little significant probability that an attack would occur. The U.S. held a massive lead in strategic weapons and theater nuclear weapons. NATO forces had offensive strike capabilities which greatly exceeded those of Soviet Tactical Aviation and Eastern European air forces. The Soviets could not quickly seize Europe.

Because the Warsaw Pact would suffer massive casualties and hardly risk nuclear war, there was no reason for NATO to maintain a high level of readiness to meet a surprise or sudden Warsaw Pact attack.

2. THE LACK OF WARSAW PACT READINESS AND CAPABILITY IN THE FORWARD AREA

Warsaw Pact forces at that time were not equipped or ready to launch a surprise attack. Soviet support forces had low manning levels; Soviet divisions had poor armored infantry mobility; Soviet artillery was unarmored, and towed by underpowered and obsolete wheeled tractors. Soviet munition stocks seemed low. Warsaw Pact army level and unit training was unrealistic, Soviet tanks had limited cruise and endurance ranges, and the refueling capability of Pact support forces was limited. Soviet ground forces had no effective mobile air defense capability. The forces of Russia's European allies were even less ready, and more poorly equipped.

Warsaw Pact air forces had no effective attack aircraft, and all Warsaw Pact air forces had limited forward operating capability and endurance over NATO territory when flying from their fixed air bases. Warsaw Pact standardization was worse than in NATO. Warsaw Pact systems for command, control, and communications (C^3) were inflexible and defensive. Targeting capabilities were poor, and Warsaw Pact theater nuclear systems were limited in number and had poor performance capability.

Most importantly, these perceptions of Warsaw Pact capabilities and intentions were supported by all available intelligence on Soviet plans and exercises. The overwhelming weight of intelligence evidence indicated that the Soviet Union planned to go to war only after it previously mobilized its Category II and III divisions in the Western USSR; after the entire Warsaw Pact doubled its active manning by calling up reserves for combat units and support forces; after all members of the Pact methodically moved and re-deployed their forces into several new fronts along the NATO border, and after the USSR moved much of its Tactical Aviation forces into newly established or activated air bases in the forward area.

3. NATO'S SUPERIORITY IN RESOURCES

An examination of defense resources revealed NATO was spending much more on defense than the Warsaw Pact, and had virtual equality in military manpower.

Much of NATO's apparent weakness in combat strength came from poor leadership, a weak planning and budgeting system, a lack of the proper force improvement priorities, and the lack of a standardized or integrated effort.

Although later study has shown that the CIA estimates of Soviet and Eastern European defense expenditures at the time were probably too low, it is almost certain that this aspect of the McNamara re-appraisal was valid when it was first made, and is still valid today.

While the U.S. reduced its defense ecort steadily between 1969 and 1976, Allied nations cumulatively spent far more on defense than the Eastern European nations, and kept their total military manning levels far more constant than did the U.S.

THE IMPACT OF THE RE-APPRAISAL OF THE THREAT

These new conclusions regarding the threat provided Secretary McNamara with the rationale for moving the U.S. and NATO toward a new approach to force planning. This new approach is generally referred to as the strategy of "flexible response." They sought a revolutionary improvement in NATO's organization and structure.

Specifically, the new view of the threat allowed the U.S. to sponsor the following changes in NATO strategy and force planning:

TRADE-OFFS BETWEEN READINESS AND NEW EQUIPMENT

It gave credibility to the concept that NATO could safely fund force improvements and reserve forces at the response of M-Day Readiness and added unit numbers. This allowed Allied countries to cope with the phase-out of U.S. MAO aid; thus, the Allies could fund suitable force quality for a more limited number of units, rather than try to fund the impossible force levels "required" by SHAPE.

REDUCING THE THREAT TO AN AFFORDABLE SIZE

It reduced the overall Warsaw Pact threat to a level where it seemed practical for the U.S. and its Allies to fund an effective *conventional* defense. NATO's superior unit quality meant it had no need to match Warsaw Pact divisions or aircraft on the one-for-one basis suggested by SHAPE.

PROVIDING PREDICTABLE WARNING

NATO's ability to rely on weeks of warning, because of its ability to detect a Soviet build-up from the USSR, also meant that NATO's relatively low cost reserve forces could become effective by the time the Warsaw Pact attacked. It seemed practical to assume NATO could defend indefinitely in its forward defense positions.

MAKING CONVENTIONAL OPTIONS AFFORDABLE

It allowed NATO to end its dependence on theater nuclear weapons. The changes in readiness requirements meant that NATO should be able to pay for the strength and modernization required to defend conventionally. It allowed "flexible response", rather than reliance on a conventional "tripwire" which was really no more than a prelude to all-out theater and strategic war.

PERMITTING U.S. AND BRITISH WITHDRAWAL

It removed much of the pressure to keep deployed in West Germany. It allowed both countries to cut their forces in Germany by promising to return them in time to defend before the Warsaw Pact could attack. This made the U.S. "Reforger" concept far less politically sensitive.

ACHIEVING "FLEXIBLE RESPONSE"

This "new realism" seemed hopeful and exciting when it was developed in the early 1960's. It offered NATO hope and purpose, where none existed under the conditions set forth by SHAPE.

During the early and mid 1960's, Secretary McNamara was gradually able to get the political support to force this new view of the threat, and new approach to NATO planning, on the Services, the Joint Chief of Staff, and U.S. military intelligence community. He simultaneously created a strong civilian force planning office on the U.S. delegation to NATO and NATO International Staff, and began to put pressure on NATO to change its strategy and assessment of the threat.

THE SUDDEN DEATH OF "NEW REALISM"

Unfortunately for NATO, the push that led to "flexible response" was the last major initiative that Secretary McNamara took before he became hopelessly enmeshed in Vietnam. By 1967, McNamara and most of his senior staff focused almost exclusively on the U.S. build-up in Vietnam. They had little time for Europe, and without active U.S. leadership, other political pressures

came to dominate NATO planning. These pressures destroyed any hope for major progress, and locked the U.S. and its Allies into positions that made effective NATO planning impossible. In fact, the "new realism" behind "flexible response" died almost at the strategy's birth. This death had several other causes and effects:

THE RUN-DOWN OF U.S. AND BRITISH FORCES

The U.S. and U.K. started a process of reductions and attrition which the U.S. continued throughout its involvement in Vietnam and which Britain still continues.

The British cuts were initially the most troublesome in terms of their impact on the other NATO Allies. It was the U.S. cuts, however, which proved critical. At one point, so many key U.S. specialists were sent to Vietnam that the U.S. did not have a single brigade in Europe that was combat ready.

U.S. cuts discredited U.S. pleas for improved Allied forces, and cast serious doubt on the integrity of the U.S. appraisal of the threat and balance. After 1968, no European nation was willing to fully trust U.S. leadership.

FORCE CUTS BY THE OTHER ALLIES

Almost inevitably, Belgium, Denmark, and the Netherlands reacted by cutting their forces or withdrawing them from Germany, without making compensating improvements. West Germany increased its manpower and expenditures, but slowed its pace of re-armament and increased its reliance on reserves so much that Germany's readiness became highly questionable.

FRENCH WITHDRAWAL

French withdrew from NATO's integrated military command structure even before the new NATO strategy was "fully agreed upon." This deprived NATO not only of its ability to rely on one of Europe's largest armies, navies and air forces; but cost NATO virtually all of the common lines of communications which the U.S. and NATO had funded between 1945 and 1966.

France's withdrawal also began a steady run-down in the quality and size of French forces that still continues, and NATO was never able to fund the replacement of most of its lost lines of re-supply.

THE IMPACT OF MBFR

Negotiations with the USSR on Mutual Balanced Force Reductions proved the crowning blow to both "new realism" and any hope of implementing a true "flexible response." The U.S. initiated the MBFR talks in NATO less than two years after it persuaded NATO to adopt its new strategy, and the U.S. motives behind the effort were transparent and had nothing to do with arms control.

The NATO Allies were fully aware that Secretary Kissinger was using MBFR, and the promise of further force cuts, to soothe Senator Mansfield and allow the U.S. to support its build-up in Vietnam. In fact, many Allies came to distrust the U.S. so much that they feared a U.S. and Soviet deal over SALT and MBFR at the expense of Europe.

1968–1974: THE ERA OF FACADE WITHOUT PURPOSE

It is a tribute to U.S. and Allied politicians, military officers, and civil servants that NATO not only survived this period, but kept the downward trend in NATO's total forces under relative control, kept its defense expenditures high, made many individual force improvements, and preserved a facade of unity and purpose.

Although Allied manning in the Center Region dropped during 1968–1974, the cuts in total manpower, and in most measures of force strength, were far less than many U.S. experts had privately predicted.

Unfortunately, these real achievements, and the preservation of a strong facade, were not enough to cope with the improvements that began taking place in the Warsaw Pact. Dedication at the staff level could not deal with the broad and critical weaknesses in NATO's overall force structure that "flexible response" and the "new realism" had been intended to overcome.

In summary, the splintering of NATO's total force strength in the Center Region into National Corps Zones exacerbated NATO's decline in strength and readiness during 1968–1974, as NATO mal-deployed its land force strength to the wrong areas, and deprived itself of tactical and strategic mobility.

NATO's strongest element, the West German Army, had no way to rely on its Belgium, Dutch or even British Allies, and faced problems in contingency planning of an almost impossible magnitude.

The second strongest element in NATO, the U.S. Army, was deployed where its strength was least needed and other NATO forces would have been more suitable, and an almost "Maginot line" defense adopted because of its lack of armored mobility. The U.S. became locked into the less critical defensive position in the South, and had been cut off from NATO's integrated command from its logical LOCs by French withdrawal.

This made NATO critically vulnerable to an attack against its weakest Corps Zones, particularly if the Warsaw Pact should attack before these zones could be defended by NATO forces that would have to be deployed from far to the rear.

THE PARALYSIS OF "FORWARD DEFENSE"

The second major problem NATO failed to deal with was the heritage of its strategy of "forward defense." In the years before 1966, NATO gradually committed itself politically and militarily to defending as close as possible to the F.R.G. border. This strategy suited German political sensitivities, but it prevented NATO from sacrificing even a limited amount of West German territory so it could concentrate its armored forces against the main Warsaw Pact thrust.

"Forward defense" forced each NATO country in the Center Region to deploy virtually all its combat forces to provide a continuous static defense of NATO's long border with East Germany and Czechoslovakia. No NATO Army had the strength to both defend the entire border area, and maintain suitable mobile reserves in its Corps sector. It also locked NATO's best armored units in forward positions where it would be difficult to re-concentrate them and move them to meet the main line of Warsaw Pact advance.

The "forward defense" strategy had several other negative effects:

The West German border is not always a logical defensive line. There are many areas, particularly in the North and far South, where NATO should logically use terrain and water barriers, and towns or built-up areas, much further to the rear for its initial defensive positions.

It takes time to move to a forward defense position, and could take NATO units far more time to move defensive positions to the border than it would take a surprise attack by Warsaw Pact units to overrun them.

A "forward defense" has roughly the same effect as blowing up a balloon. It stretches NATO forces to a near breaking point to cover all the border area with static defenses. A Soviet armored thrust then has the effect of sticking a pin into this balloon. If it penetrates, NATO has no clear way to repair the structure before it collapses. With its forces spread piece-meal, NATO cannot concentrate, counter-thrust, or maintain a mobile defense in depth.

A "forward defense" exacerbates NATO's readiness and National Corps Zones problems in a destructive synergy. If any Corps Zones are weak, NATO cannot easily redeploy to cover them. Further, the gaps between Corps Zone boundaries are particularly vulnerable. "Forward defense" tends to make all of NATO no stronger than its weakest link.

At the tactical level, "forward defense" means that NATO must disperse its tanks and advanced anti-tank weapons, its artillery, and other major firepower systems to support the entire front. This increases the effect of NATO's numerical inferiority in major weaponry and artillery range, and greatly dilutes the firepower it can concentrate in one area. Almost inevitably, it also complicates NATO's problems of providing support, air cover and air defense, and close air support.

In general, "forward defense" bears a striking and unfortunate resemblance to the Anglo-French Plan D, which dispersed French forces before the German Blitzkreig in World War II. It also, almost by definition, is probably the worst possible strategy NATO could adopt for the German people. It does nothing to increase deterrence. It encourages Warsaw Pact tactical "adventures" in a crisis, and maximizes the probability that German civilians will suffer if war occurs.

NATO'S DEFENSIVE MOVEMENT PROBLEM

The defense of National Corps Zones, and the strategy of "forward defense," must be carried out by NATO divisions which are locked into caserne locations. Most of these casernes are poorly located for a "forward defense" strategy, and they force NATO combat units to make extremely complex defensive movements when they go from their peace-time locations to defensive positions in their National Corps Zone at the border.

While the details of these moves are classified, they are so complex that maps of such movements look something like a cross between a mare's nest and a diagram of the Gordion Knot. These movements also make NATO exceptionally vulnerable to surprise attack since the Warsaw Pact can often move to a NATO defensive position from its casernes more quickly than the NATO border.

NATO'S INDECISION IN AIR POWER

The fourth major problem NATO failed to address was its collective indecision as to the future structure of its air power. While individual NATO air forces improved their equipment during 1968–1974, and some major improvements occurred in NATO's command structure. NATO lacked the cohesion and leadership to properly modernize its forces in the Center Region.

NATO's airpower is ultimately dependent on national airpower.

Led by Lt. Generals David Jones and John Vogt, NATO did manage to integrate many aspects of 2 ATAF and 4 ATAF during 1968–1974, and laid at least the foundation for an integrated air defense and ground environment. Unfortunately, many other problems were left unsolved:

NATO never fully came to grips with developing an integrated approach to passive and active air base defense and dispersal. Each Nation pursued somewhat different approaches, and many NATO air bases remain vulnerable to air attack.

Air forces can only operate flexibly with each other if they use almost identical air intercept, interdiction, and close air support tactics. Almost all NATO air forces and armies use somewhat different interdiction and close air support tactics.

A similar integration must occur in avionics and air munitions capabilities, yet between 1968 and 1974, NATO sharply increased the diversity and incompatibilities between its I.F.F., intercept avionics and missiles, and weapons delivery and air-to-ground missiles. The lead which USAF obtained in avi-

onics and missiles had the ironic effect of making it particularly difficult for the U.S. to operate with Allied forces.

One of the most critical requirements of the new strategy of "flexible response" was the need to replace NATO's reliance on a nuclear strike posture, and quick reaction alert (QRA) nuclear strike aircraft, which were reserved for a single nuclear mission, with effective conventional air attack capabilities and the ability to fly large numbers of conventional attack sorties against Warsaw Pact armor. By and large, NATO's air forces failed to accomplish this during 1968–1974. They collectively did not buy sufficient munitions, they did not train properly, and above all, they did not develop an effective and coordinated approach to stopping Soviet armor.

NATO made little real progress in all-weather or night warfare attack capability during 1968–1974, although Warsaw Pact land forces greatly improved their attack capabilities and/or both conditions.

NATO's Nike-Hercules high altitude SAM defenses became obsolete during the late 1960's. They can now be easily suppressed by saturation, ECM, or maneuver avoidance techniques by modern Soviet fighters. While improvements took place in SAM-Aircraft C^3 coordination, NATO's SAM defenses were never properly modernized.

NATO's low altitude air defenses evolved in total choas. While new Soviet fighters acquired long-range, low altitude capability, each NATO country pursued a different course. Many NATO combat units still lack effective short-range, low-altitude, all-weather air defenses, and most are vulnerable in respects no longer applicable to Soviet land forces.

These problems were also heightened by competition between NATO arms manufacturers. Each nation attempted a patchwork fix for its air force using its own equipment or co-produced systems. The frequent result: "improvements" which made things worse because they increased incompatibilities between national air forces.

The inability of NATO air forces to concentrate on killing Soviet armor, their focus on long, slow wars and initial air supremacy, and the vulnerability of their bases and support facilities, has left NATO as a whole more vulnerable to unreinforced and surprise attacks. At the same time, it has ensured that NATO's air forces are weakest where NATO's land forces were weakest.

NATO'S LACK OF STANDARDIZATION OF TACTICS AND STRATEGY

With the previous exceptions in the case of air warfare, the partial paralysis of NATO force planning during 1968–1974 meant that each nation had to develop its own individual force structure, tactics, and strategy with little leadership from the NATO Military Committee, SHAPE, or the United States.

This created countless additional incompatibilities in NATO tactics and strategy at every level of war fighting, and these became institutionalized as nations invested in different weapons and tactical technologies. Each incompatibility made NATO growingly vulnerable to a Warsaw Pact attack that required cooperation by different NATO armies and air forces.

Each also increased the "learning curve" NATO forces would have to go through cooperating across National Corps Zones, and made NATO more vulnerable to a Warsaw Pact attack launched before NATO armies and air forces could improvise some pattern of cooperation between forces that had suddenly been re-deployed and brought to their war-time strength with partially trained manpower.●

OPENING JOBS TO OUTSIDERS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. FRASER. Mr. Speaker, for outsiders who do not know their way around Washington or do not have the right contacts, getting a job with the Federal Government has become an almost hopeless task.

With the creation of the Civil Service 95 years ago, the politically dominated "spoils" system was exchanged for what is an insidious hiring system, dominated by those already inside the Government. The "old-boy network"—not merit—determines who gets Federal jobs.

I am concerned that Federal Government jobs are virtually closed to outsiders. And I am concerned that women and other highly talented outsiders are being alienated from their own Government by this system.

The closed Federal hiring system is one more provocation that adds to the public's growing resentment of the Federal Government. This and other dissatisfactions with all levels of government eventually culminate in happenings such as proposition 13.

Outsiders, if given a chance, could stimulate improved performance and greater productivity in Government. As the Congress considers legislation to reform the civil service system for the first time in nearly a century, I think it is important to look closely at the inadequacies of the existing selection process. We need to open up the Government to outsiders at all levels.

I would like to call attention to the following news comment by Mike Causey that points up the problem:

[From the Washington Post, July 6, 1978]

OPENING JOBS TO OUTSIDERS

(By Mike Causey)

Only about 500 "outsiders" each year manage to clear all the bureaucratic hurdles and grab one of the 180,000 mid-management jobs in government that pay from $26,000 to $36,000 to start.

Carter administration officials are concerned about the relatively small number of individuals who come into government each year into important administrative, technical and managerial jobs.

Although thousands of vacancies come up annually at the Grade 13, 14 and 15 levels, the majority of them are filled in-house by government workers who have seniority and expertise and who know when vacancies occur and how to get them.

White House officials say that entering the government at the middle and upper levels can be a difficult and perplexing chore for someone who doesn't know the ropes.

For example, more than 18,000 people were rated "qualified" for GS 13, 14 and 15 level jobs last year. That means they met relatively high standards of work, education and related experience, and were qualified, in the government's eyes, for those senior level jobs. Of that number, only about 500 actually were hired in nonscientific occupations.

To make it easier for aggressive, qualified outsiders, the Civil Service Commission—as reported here yesterday—will cancel blanket "hunting licences" for everybody now rated "eligible" for senior level jobs. The ratings meant they had met minimum standards and could be called on and considered when jobs at those GS 13 through 15 levels came up.

Under the new system, which will begin in mid-August, outsiders seeking midlevel federal jobs will have to be more persistent in pursuing them, keeping up with openings and applying to the agency or CSC (usually CSC) when they find a job that matches their talents and skills.

Instead of getting an "eligibility" rating and then waiting to be called, the new system will mean that the more aggressive jobseekers will be the only people considered for most midlevel positions. The would-be job hunter will first have to find the job, then establish his or her eligibility. Officials believe it could increase the in-take of outsiders into the well paying management jobs, and will certainly reduce the number of people now eligible for blanket consideration but who, in fact, stand little chance of ever being called for a job interview.

Contrary to the report here yesterday CSC officials say that few agencies will be given the authority to rate candidates for midlevel jobs and accept applications directly. In most cases the commission will continue to do that, although some agencies will be authorized to handle their own rating and hiring in time.●

SCHARANSKY DISPLAYS COURAGE IN FACE OF SOVIET OPPRESSION

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. STEERS. Mr. Speaker, as my distinguished colleagues know, on Friday, July 14, Anatoly Scharansky was found guilty by a Soviet court of spying for the United States and of Soviet agitation, when in reality, his major "crime" was to try to monitor Soviet compliance with the Helsinki accords. The court sentenced Mr. Scharansky to 13 years imprisonment: 3 years in prison and 10 years at hard labor. This brutal sentence symbolizes the Soviet's attempts of political and ethnic oppression, and a basic disregard for human rights. It is tragic that in the 20th century a person can be convicted for asserting his basic human rights and liberties.

Unfortunately, Mr. Scharansky is only one of many who is victimized by this political oppression and abridgement of human rights. Many other activists have received severe sentences for alleged crimes against the Soviet Union.

A statement, made by Mr. Scharansky before the verdict was declared, best characterizes the injustice and inequity that now exists in the Soviet Union as well as the great courage and determination of this man, Anatoly Scharansky.

I would like to insert Mr. Scharansky's statement at this point:

HAPPY TO HAVE LIVED WITH MY CONSCIENCE

(The following is a partial text of the statement by Soviet dissident Anatoly Scharansky yesterday to a Moscow court before the verdict and sentencing. It is based on notes taken by Scharansky's brother, Leonid, who attended the trial.)

In March and April [this year] during questioning, those who were conducting the investigation warned that with the position I had taken during the investigation, and which I am following here in court, I face a firing squad, or at least, 15 years in prison.

If I agreed to cooperation with the investigation with the aim to liquidate the Jewish emigration movement, I was promised quick release and reunion with my wife [who lives in Israel]. Now, as never before, I am far from this dream.

It seems I should be sorry about that, but it is not so at all. I'm happy. I'm happy that I lived honestly and in peace with my conscience, and never lied even when I was threatened with death. I am happy to have helped people. I'm proud that I made acquaintance and worked together with honest and brave people such as [Andrei] Sakharov [Yuri] Orlov, [Alexander] Ginzburg, followers of traditions of the Russian intelligentsia.

I'm happy to be a witness to the process of liberation of Jews of the U.S.S.R. I hope that those absurd charges against me, and in addition, against the whole of the Jewish emigration movement, will not prevent my people from liberation. My friends and relations in the emigration movement for life with my own wife, Avital, in Israel.

[For] more than 2,000 years, my people [have lived] in Russia. But wherever the Jews went, every year, they repeated, "Next year in Jerusalem." Now as never before, I'm far from my people, from Avital, and I'm facing long and hard years of detention.

I say, addressing my people and my Avital—"next year in Jerusalem!"

To the court which is going to pronounce the verdict already prepared, I have nothing to say."●

CATTLEMEN CLAIM LOSS

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. RISENHOOVER. Mr. Speaker, on June 7, the eve of President Carter's announcement to increase beef imports by 200 million pounds, I warned about the devastation of such a move both to cowboys and consumers.

I have received a letter from Bill Brunk, president of the Adair County, Okla., Cattlemen's Association, who reports that my predictions have unfortunately come true.

Cattlemen have suffered a 20-percent loss, Brunk reports, and there has been no reduction in retail beef prices. I ask unanimous consent to place Mr. Brunk's letter in the RECORD for my colleagues to study.

ADAIR COUNTY
CATTLEMEN'S ASSOCIATION,
July 13, 1978.

Hon. THEODORE M. RISENHOOVER,
House of Representatives,
Longworth House Office Building,
Washington, D.C.

DEAR MR. RISENHOOVER: The members of the Adair County Cattlemen's Association of the state of Oklahoma are most concerned about the increased imports of foreign beef and its effect on the market price received by American Cattlemen.

After experiencing 3 to 4 lean years and producing beef at a financial loss, we were most enthusiastic when the market situation indicated a strong signal of increased price.

It appeared, to we beef cattlemen, that we should again increase our herds to a level whereby a financial gain could be attained should the market trends hold or even increase.

Then all of a sudden we received another administrative jolt and set back when the President increased the beef imports resulting in an immediate drop in the beef cattle prices received by farmers. All this did was increase the beef in New Zealand by 30% and reduced the price received by farmers in the United States by 0.12 per pound or about 20%. If this was put into effect to reduce inflation it hasn't worked. There has been no reduction in the price of beef and beef products on the retail level.

It is high time for all politicians to remember a bit of history. A nation is only as strong as its agriculture. We go on record, demanding that American farmers and ranchers be recognized and supported in their endeavors that make and keep America a strong nation. Don't let foreign influence weaken our nation through our agricultural endeavors.

Any thing you can and will do to increase agriculture stability in these good old U.S.A. will be deeply appreciated.

Sincerely,

BILL BRUNK, *President,*
Adair County Cattlemen's Association.●

CLYDE M. JACKSON

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I lost a friend this past weekend when Clyde Jackson died.

My relationship with Clyde goes back more than 10 years when he founded the United States Black Front in Pittsburgh.

I worked with Clyde on a variety of economic development proposals for the city and just 2 weeks ago he and I testified together before the House Judiciary Committee on a bill of mine to lift the surety bond requirements from small and minority contractors doing business with the Federal Government.

Clyde was struck down in the prime of his life. As president of the Greater Pittsburgh Business Development Corp., he was just beginning to realize some of his development goals for our community.

In the past 10 years, I spent many a fevered occasion with Clyde working on this proposal or that. He was a man possessed, possessed with the idea that he could get a piece of that American economic pie for the black community. And because of Jackson, many black businessmen and workers, who otherwise might have been denied, will get a piece of that pie.

I note with great sorrow the passing of a fine man, a man who never stopped trying to improve for the community the conditions he found around him.

I extend my sympathy to Clyde's wife and family.

I would like to include in the RECORD at this time an obituary from the Pittsburgh Press.

CLYDE M. JACKSON

Clyde M. Jackson, 52, founder of United Black Front, an organization designed to promote minority businesses and employment, died Saturday at Presbyterian-University Hospital.

Mr. Jackson of 1875 Linton St. founded Wylie Centre Industries, the only black-owned nail manufacturing plant in the world, and was responsible for securing the first federal economic development grant for minorities in Pittsburgh.

Raised in Soho and on Wylie Avenue in the Hill District, Mr. Jackson was president of the Greater Pittsburgh Business Development Corp. at the time of his death.

Survivors are his wife, Mary, a son, Clyde Jr.; two stepsons, Fred and Alvin Glass; four sisters, Mrs. Elmira Lovejoy, Mrs. Katie Lee Stoves, Mrs. Clara Benton and Mrs. Isrella Lee Stephens; five brothers, James, William, Norman, Raymond and John; and one grandson, all of Pittsburgh.

Friends will be received from 7 to 9 tonight at West Funeral Home, 2215 Wylie Ave., Hill District.

Services will be at 11 a.m. tomorrow at Bethel African Methodist Episcopal Church at Morgan and Webster avenues.

Burial will follow at Greenwood Cemetery, O'Hara Township.●

WILLIAM BURNS OBSERVES 25TH ANNIVERSARY WITH KDKA-TV NEWS

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. MURPHY of Pennsylvania. Mr. Speaker, today marks the 25th anniversary of William M. Burns with KDKA television news. Bill Burns, as he has been known to literally millions of people throughout the years, has distinguished himself as a pioneer in television news in many aspects. KDKA itself is the heart of the history of the broadcast industry and Bill Burns has made himself part of that heart. Throughout his distinguished career, Bill Burns has reported on the events that have touched the lives of Pennsylvanians ranging from the human dramas that evolved daily on the streets of his city of Pittsburgh, Pa., to the interviews with Presidents and other international figures. Throughout it all he has never failed to pay attention to the details of the craft that has made him the consummate professional that he is. Even as he is now a major public figure he still seeks the street assignments, the long hours in the editing room, and the careful search at the typewriter for the right phrase to capsulize the events of the day for the thousands who depend on him for their news.

But his service goes beyond his own chosen profession as commendable as it has been. He served his country in World War II with the 30th Infantry serving as a staff sergeant and was severely wounded in action participating in the historic invasion at Normandy, that turned the tide of the war.

He has been a father and family man who can take pride in the contributions that his grown children are now making to southwestern Pennsylvania. He is fortunate as a father to see his son Michael as an attorney with a distinguished Pittsburgh law firm and his daughter,

Patti who joined KDKA's news department in 1974, continuing in her father's profession with excellence.

With this sterling record already behind him he continues to serve his public and it is my wish that he continue to do so for many years to come with my thanks and gratitude for a job well done.●

DO WE HAVE AN URBAN POLICY?

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. GARCIA. Mr. Speaker. In yesterday's CONGRESSIONAL RECORD I shared with you the first in a series of articles by Robert Scheer that recently appeared in the Los Angeles Times. The second article in the series presents an assessment of our current plans for turning our cities around again. It is, tellingly, I feel, headlined "Urban Plans: Much Talk, Little Action". Mr. Scheer paints a pessimistic and bleak picture of what the Federal and local administrations have done and are planning to do. I insert this article with the hope that as we proceed, during the next months, to act on President Carter's urban policy proposals, that this picture is before us as a goad to change what must be changed and support what should be supported so that we create a policy with teeth and guts that will give the lie to a negative view of our cities' futures.

[From the Los Angeles Times, June 23, 1978]

URBAN PLANS: MUCH TALK, LITTLE ACTION

(By Robert Scheer)

(This is one of a series of articles by Robert Scheer examining the U.S. urban crisis. This segment concludes an assessment that has identified the urban crisis with an expanding underclass of poor people—mostly minorities.)

Can Jimmy Carter save the South Bronx before Jerry Brown rebuilds West Oakland?

Urban strategies having now become the rage, there is hot competition among candidates, officeholders, think tanks, private enterprise and a myriad of special-interest pleaders to produce the freshest, fattest, most comprehensive . . . brochure.

To date, the emphasis has been rather more on the packaging of strategies than on implementing actual programs.

This is understandable since programs are passe—they cost a great deal of money, probably don't work and get middle America upset, or so it is widely believed.

It is also widely believed, at least among those who are paid to grasp such matters, that middle America has had it with the problems of the blacks, Hispanics and the poor—having done so much for them.

In fact, however, we have no way of knowing what has been done for the poor or the cities.

When Carter's advisers first began developing his urban program, they discovered that information on the effect of what had gone on before was scattered and most often worthless.

They knew that the Bronx was in trouble but no one knew how much federal money had gone into the Bronx and what it had accomplished.

Although Carter was to double funding for Comprehensive Employment Training Act programs, his aides confessed that there were no accurate figures on whether CETA employees had gone on to find permanent jobs in the private sector. There was simply no national followup on what happened to CETA employees after they left the program.

School desegregation has represented perhaps the greatest federal impact on the cities through the federal courts but also through the Department of Health, Education, and Welfare. Yet the continuing effect of court-ordered desegregation never entered into the months of discussion, study and meetings that produced Carter's urban policy.

It was treated as a passe issue even though for many cities and presumably at HEW and the Justice Department, it remains a very live one. Not one of the scores of high Administration officials interviewed for this series was aware of the fact that busing was very much an issue for Los Angeles and Columbus, Ohio, to name two of dozens of cities.

When pressed on this, Jack Watson, the White House assistant in charge of coordinating the President's urban program, responded: "I don't think busing is much of an issue now. You know, I have not thought about busing in a long time. I've not discussed busing in the context of this urban policy at all.

"I know that busing remains an issue in the cities across the country and I know that educational problems that are caused by busing have not been adequately addressed, so that I don't think it's an irrelevant issue.

"But I think it's an issue that this policy (the President's urban program) didn't address as a free-standing one . . . Did we look at Los Angeles and Cleveland and Wilmington and other cities and get assessments of the degree of volatility of their education situation? The answer is no."

Ralph Schlosstein, top assistant on the urban policy to White House aide Stuart Eizenstat, said he had never discussed busing and its impact on the cities with anyone in government while assembling the Administration's urban policy.

"I think it's one of those things that is under the rug, quite frankly," he said.

"It's an issue that, politically, every politican would love to see settled in the courts. . . . Whenever you get a hot one like this, it is very easy to fall onto the judicial system rather than to rely on the legislative process."

But if the Administration is not willing to discuss busing, then it is quite possible that it is not serious about dealing with the urban problem.

It is understandable that politicians are hesitant to deal with busing, even on the presidential level, but it is difficult to imagine intelligent planners spending a good deal of time on the plight of the cities without considering this facet of the problem.

These planners tend to make public pronouncements that in no way jibe with their private perceptions. Schlosstein said with refreshing candor during one interview:

"I have dozens of friends who are what I consider to be really committed, confirmed city-livers—which I am—and, you know, when their children come of school age it's a very, very tough thing to stay in the city. A lot of them don't. . . . I mean it's a schizoid existence."

One of those who does send his children to the public schools of the District of Columbia is Ernest Green, a black assistant secretary of labor. But he observed that most of his associates who have school-age children—black and white—don't, and he added:

"When some young black kid in the ghetto tells you that liberals are full of ———, that's what he means—that you say one thing and you do another. I think that both middle-class blacks and whites that want to have some impact on schools have got to keep their kids in there and fight for quality education."

Busing is the main program in existence today aimed at assimilating the underclass of poorer minorities into the mainstream. However, there is widespread agreement that it is not doing that for the central city if for no other reason than that there are not enough whites left to bus.

Los Angeles is an exception because some of its suburbs are "captured" within its extensive city lines, but even here whites may be in short supply in the near future.

Both Carter and Brown urban renewal programs are designed apparently in the hope that busing will just go away. Yet if middle-class white families are attracted back to the central city in appreciable numbers, as is the hope of the Carter plan, then they will fall once again under court-ordered desegregation, which is why few of those now coming back have school-aged children.

It is difficult to conceive of an urban program that does not take busing into account, but that is the fact with the current proposals. This is not the fault of the Carter Adminisration alone.

As the busing issue illustrates, the incoming Administration was confronted by two serious problems in developing an urban strategy. First, Carter's urban strategy inevitably carries the baggage of past programs designed to solve problems of poverty and racial discrimination centered in the cities.

Second, whatever the inherent weaknesses of the Kennedy/Johnson domestic program, it never had much of an opportunity to prove itself because eight years of Republican administrations were aimed more at dismantling than implementing it.

For example, busing as a means toward integration in the North in the late 1960's and '70's was ordered by the courts but administered on the Federal level by Republican Presidents who made clear their disbelief in the tactic.

The combination of exaggerated claims and failure to implement—as seen in the busing controversy—runs through most of the social programs which in retrospect almost seem designed to fail.

As Ernest Green stated: "I think that busing, as were many of the Great Society programs in the '60's, was oversold as to what was going to be the outcome. And that refusal to see this as a long-term proposition both in terms of white folks as well as blacks is to just overbill, overpromise and then when we're unable to deliver the goods everybody says: 'Well, ——, that proves it. It was a failure.' "

Whether because of, or despite, those social programs, the central cities' populations are now blacker and poorer than when the effort to desegregate American life began.

And the problem of the city increasingly centers around an underclass of the minority poor who are insufficiently educated and trained to find work in a modern economy. Although the Administration will now spend some additional funds on vocational job training programs through unions and industry, the schools remain the serious vehicle for advancement.

And there seems little doubt that the central city schools are a disaster, providing neither integration nor quality education.

There is even a serious possibility that some major city school systems will not be able to open in the fall for lacking of funding.

The central city schools, having become predominantly nonwhite and Hispanic, are denied access to the wealth and skills of the middle class, which has departed for the suburbs.

Whatever the causes of white flight, it has produced a situation in which black and Hispanic children in many central cities cannot get an integrated education unless pupil transfer is extended to the suburbs.

According to a U.S. Civil Rights Commission survey last year in the 26 largest cities, three out of four black children are assigned to what the report termed "intensely segregated schools"—that is, more than 90 percent minority.

It stated that: "The problem is growing worse, not better . . . Increasingly the boundaries between cities and suburbs have become not merely political dividing lines but barriers that separate people by race and economic class."

The future of school desegregation in these large urban areas, the commission wrote, dies beyond the city line.

"If we are correct in these conclusions, a metropolitan school desegregation remedy is required under the Constitution and applicable Supreme Court decisions," the commission wrote.

To date the Supreme Court has not accepted this conclusion, but proponents of the metropolitan solution think that the court has left the door open in its instructions in the Detroit case and in its handling of the Wilmington, Del., case, where a metropolitan solution is in the works.

One of the first to suggest that a metropolitan plan might be necessary was U.S. Court of Appeals Judge J. Skelly Wright. In his 1967 decision ordering Washington, D.C., schools to spend the same amount of money on black pupils as on white pupils, he noted:

"The plan . . . should anticipate the possibility that integration may be accomplished through cooperation with school districts in the metropolitan suburbs . . . . Certainly if the jurisdictions comprising the Washington metropolitan area can cooperate in the establishment of a metropolitan transit authority, the possibility of such cooperation in the field of education should not be denied . . . ."

This "metropolitan solution," which many civil rights groups now are pushing in court cases across the country, including Los Angeles and Atlanta, sounds innocent enough. But to many suburbanites, it challenges the very roots of their civilization.

When the affluent school districts of Great Neck and Scarsdale voluntarily sought to bring in some students from the New York City school system, according to New York's former Commissioner of Education Ewald Nyquist, "In both cases there was so much hostility among community members that plans for implementation were dropped. The affair triggered the dismissal of the superintendent of schools."

He recounted a similar experience with a suburb outside of Buffalo, the town of Williamsville, which was going to accept 100 minority children from Buffalo to add to its school population of 11,000.

"There was such a furor . . . the plan was dropped," the commissioner said. He concluded:

"As you can see from some of these examples, I am all for metropolitan desegregation, and it is probably the only solution for certain suburban districts and large cities. But I do not have the power as State Education Commissioner to order it, and New York State will not, for the foreseeable future, remove the legal barriers to accomplish it."

The resistance is so widespread that when Congress came up with funding to reward school districts in the suburbs that would voluntarily devise such plans, it found no takers, and the funding program was terminated in 1974.

One expert, Edgar G. Epps, professor of urban education at the University of Chicago, discounts the prospects for any voluntary plan for merger of the problems of suburban and urban communities because "the fear of racial and economic integration" has reached a "level which approaches paranoia. The current polarization of central city and suburban residents has such strong racial motivation that mergers (between city and suburb) are virtually impossible in the near future."

That is why proponents of the metropolitan approach look to the courts for a push in that direction. In his much-quoted Harvard law school address on the 20th anniversary of the decision in Brown vs. Board of Education, Judge Wright declared that if the Supreme Court were to continue to act as if the crossing of school district lines in desegregation cases were not permissible, "the national trend toward residential, political and educational apartheid will not only be greatly accelerated; it will also be rendered legitimate, and virtually irreversible, by force of law."

The court has continued to act that way and the trend toward "apartheid" has accelerated.

Three cases where the metropolitan plan has been ordered by the lower courts are Indianapolis, Louisville and Wilmington. In the latter case, which is just being implemented and which is on appeal, 82% of the students were black while fewer than 6 percent of suburban students were.

Louisville three years ago became the first city in the country to implement court-ordered metropolitan desegregation. There is disagreement among observers over whether it is working well. But a recent study by state and local education in Kentucky recommends the metropolitan plan as offering the best hope for minimizing white flight.

In any event, other cities are girding for similar encounters with their suburbs.

The mood of the pessimist was summarized by David Segal, a city planner in Philadelphia, whose school system is on the brink of bankruptcy and under pressure by the state to come up with an acceptable desegregation plan. Segal said, "There is too much hostility between the city and the suburbs for a metropolitan plan to work. If Philadelphia tries to export its problems to the suburbs you'd have a revolution on your hands."

Given the intensity of this situation, the Carter Administration simply has sought to avoid the entire matter.

The same can be said for California's Gov. Brown.

When pushed, politicians in both Washington and Sacramento deny that they have authority to act. Brown says it is the federal government and the courts that have authority over the schools. And the Carter staffers say it is the state governments that must act to redistrict schools and, in general, incorporate the city into the economic life of its surrounding area.

The busing controversy illustrates the larger problem of an urban underclass isolated from mainstream America, which is now centered in the suburbs.

Just as the predominantly white suburbs are unwilling to accept minority students from the cities, they have rejected government programs which would assist the minority poor, though they would bring additional federal income into their communities.

As Labor Department and HUD officials make quite clear, the suburbs reject the subsidized housing or job-training programs out of fear—that they will attract the minority poor from the inner cities.

Many suburbanites have come to define their security by their distance from the outstanding social problems of American life.

The real issue is whether the urban poor are to be permitted to live within mainstream America or whether the central cities shall continue their progression toward becoming American Sowetos—zones for the unwanted poor.

Without access to the skills, jobs, good schools and the money in the suburbs, the cities will stagnate.

As Carter aide Schlosstein put it: "In a lot of cities you have a situation where the strongest tax base is outside the central cities. Even the most depressed cities—take Cleveland, for instance. The surrounding area is a healthy one. You know, you have some of the wealthiest people in the country living in Shaker Heights in the suburbs of Cleveland.

"Well, the courts have made a decision not to bus across or tax across these lines . . . The city supports the symphony, the museums, the zoo, the airport, the parks, the central business district where all these people work, and the city gets zero dollars from those people other than what they spend in the city. . . .

"Twenty per cent of the people in the country live in the central cities. As a result, it is expected that a higher percentage of new federal building and defense contracts will be let to industries in the cities. There is also a program of tax credits to attract new industry and an investment bank to guarantee loans."

One congressional critic of the program, Rep. Ronald V. Dellums (D-California.), said: "So what else is new? It's more cosmetics. The amount of money spent ($12 billion) is so small for so many hundreds of cities it's a joke."

White House assistant Schlosstein responds, accurately enough, that this is the first time that any administration has bothered to formulate an urban policy. And it is possible that this package will do more for the cities than any previous program. But most insiders agree that it remains a meager response to an immense problem.

To the Georgia state senator and black civil rights activist, the current "accommodation" is proof that "racism is no longer embarrassing. It's acceptable now. It's defensible. And maybe it's because we have such a scarcity of things and people feel so possessive about the few things they do have—their homes, their jobs, their schools—that these attitudes become perfectly permissible. They're defending these traditional American values."

Bond's prediction is that the poor will be maintained in their current status. "I mean 25 years of just being sort of frozen in place. What's happened is that we've developed this permanent underclass. You know, the American myth and fact used to be that people sort of moved in and out went up and down.

"There's always been this little knot at the bottom. But now this little knot of people at the bottom has become larger, No. 1, and has become permanent, No. 2. The mother's a welfare case, the child is a welfare case, the child's child is a welfare case and they all live with the grandmother who's a welfare case."

So maybe the cities will remain the containers for the poor and knots of unemployed males on street corners, some maximizing their energy to make dope deals in order to get a little high, the rest just waiting . . .

Perhaps the cities will be left with the dubious achievement of black political power to preside over burned-out buildings, gouging landlords, welfare cheats, poverty pimps and the majority of poor people who never commit crimes but who are its most frequent victims, trying against hopeless odds to raise children properly so they won't have to live this way.

And the cities will have become the final homeland of a minority underclass of unskilled, uneducated, unmotivated people who are no longer in need as a source of cheap labor on Southern farms or in the textile and garment industries and who will not now go back from where they came.

PRISONER MALTREATMENT IN NORTHERN IRELAND

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1978

● Mr. WALGREN. Mr. Speaker, in coordination with the Congressional Irish Caucus, I want to draw the attention of my colleagues to one of the many cases of prisoner abuse in Northern Ireland documented by Amnesty International. Similar to 77 other such cases of prisoner maltreatment, this case involves British troops and Irish prisoners at Castlereagh Barracks in Northern Ireland.

Case No. 62 involves a male arrested in 1977 and taken to Castlereagh Holding Centre. During his 3-day detention, it is alleged that he suffered severe beatings about the head and stomach. His captors tortured him as they bent his wrists and arms behind his back. In addition, he was thrown against a wall and choked until he was unconscious.

When No. 62 was released, he was examined by his own doctor. The findings indicated a punctured ear drum, damage to other parts of his left ear, and severe bruising over much of his body. The cause of these injuries was the beating he suffered while he was detained and in the complete control of authorities in Northern Ireland.

Mr. Speaker, we all should be deeply troubled by cruel violations of human rights throughout the world. Violence against individuals held in prison is no different whether it be in South Africa or Northern Ireland. I want to offer case No. 62 as a reminder of the tragic strife and violence in Northern Ireland. It is my sincere hope we can prevail upon the British Government to put a stop to these kinds of violations of human rights and move toward a just settlement of the Northern Ireland situation.●

SENATE—*Wednesday, July 19, 1978*

(Legislative day of Wednesday, May 17, 1978)

The Senate met at 9:45 a.m., on the expiration of the recess, and was called to order by Hon. MURIEL HUMPHREY, a Senator from the State of Minnesota.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Our Father-God, our need is our prayer. So we thank Thee for this hallowed moment each day when we lift our vision above all duty, all contention, all stress and allow Thy gentle, cleansing, and renewing spirit to flow through our being. Without Thee we do less than our best. With Thee, our best efforts surprise us and make us glad in Thy service.

We are grateful for this moment when there comes to us the hush of solemn thoughts, vistas of splendor, windows of insight, visions of a better Nation and a better world. Grant us wisdom higher than our own, strength mightier than our own, and wills conformed to Thy will.

Breathe through the things that are seen the peace of the unseen and the eternal. We pray in the Redeemer's name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 19, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable MURIEL HUMPHREY, a Senator from the State of Minnesota, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mrs. HUMPHREY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Madam President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Madam President, I ask unanimous consent that the Environmental Pollution Subcommittee of the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Thursday and Friday of this week to hold hearings on the Toxic Substances Act.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Madam President, I ask unanimous consent that the Subcommittee on Health and Scientific Research of the Committee on Human Resources be authorized to meet during the session of the Senate on Thursday and Friday of this week to consider S. 2755, the Drug Regulation Reform Act.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Madam President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate today to hold a markup session on S. 3077, the Export-Import Bank Act.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Madam President, I have nothing further.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER. Madam President, I have no requirement for my time, except to say that I observed the distinguished present occupant of the Chair this morning in her presentation on network television comport herself with great dignity and credit to the Senate.

I yield back the remainder of my time.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from North Carolina (Mr. MORGAN) is recognized for not to exceed 15 minutes.

GOVERNMENT INTRUSION

Mr. MORGAN. Madam President, I wish to speak briefly this morning in the Senate on Government intrusion into the lives of individual Americans, a subject on which I have spoken numerous times here on the floor of the Senate.

As a member of the Senate Intelligence Committee, as a cosponsor of Senator KENNEDY's bill to control Government wiretapping and of the bill to bring our intelligence community under the rule of law, I have long been concerned with need to prevent the Government from intruding on the civil liberties of individual Americans. This is a difficult task when dealing with national security, for we must balance the rights of 1 person with the need to protect 200 million.

When we are not dealing with the national security of our country, the problem becomes much less complex. We must never forget that it is our insistence on the protection of individual civil liberties more than virtually any other society, that has made this the best country in the world.

Nearly 200 years ago, Thomas Jefferson told us that:

> The natural process of things is for liberty to yield and government to gain ground.

Recent actions, involving the Social Security Administration, brought these thoughts to mind. This incident is especially instructive, for it clearly demonstrates the difficulty in protecting liberty against government.

Social Security Administration officials in North Carolina were asked by Secre-